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ABSTRACT

This congressional report contains a discussion of the provisions of the Youth Act of 1980 (H.R. 6711) and presents dissenting views on the act. (The Youth Act of 1980 extends the authorization of and improves youth training and employment programs, extends the authorization of the private initiative program, and authorizes intensive and remedial education programs for youth.) After a summary of the act, the history of its consideration and the need for its enactment are outlined. Approximately one-third of this report consists of an analysis of the cost and major provisions of the act. The changes made by the Youth Act of 1980 in the Comprehensive Employment and Training Act in the area of youth employment demonstration programs (specifically in the areas of youth incentive entitlement projects, youth community conservation and improvement projects, and youth employment and training programs) are set forth in a section occupying nearly half this report. Dissenting views on the issues of using new monies and new policies, the failure to address the problem of basic skills and to adequately concentrate funds, and private employers and the failure to adequately involve the community in program implementation are provided. (MN)

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96TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 96-1034

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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YOUTH ACT OF 1980

MAY 16, 1980.—Ordered to be printed

ED195693

Mr. PERKINS, from the Committee on Education and Labor, submitted the following

REPORT

together with

DISSENTING VIEWS

[To accompany H.R. 6711]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor to whom was referred the bill (H.R. 6711) to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, to authorize intensive and remedial education programs for youth, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

SUMMARY OF THE LEGISLATION

TITLE I

Simply stated, the primary purpose of title I is to provide a broad range of employment and training opportunities for youth to improve their future employability, and to promote, to the maximum extent feasible, coordination among institutions capable of providing such opportunities.

Title I amends existing part A of title IV of CETA to achieve several objectives: (1) to extend and strengthen those provisions of existing law which have proven successful; (2) to consolidate individual youth programs and eligibility requirements, to the extent practicable, in order to streamline the delivery system and reduce administrative cost and delay; and (3) to alter and improve certain provisions of current law as needed.

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Funds available under title I are distributed among the States pursuant to the existing formula. Such funds are allocated as follows: (1) not more than 10 percent is available to the Secretary for discretionary programs; (2) of the 90 percent remaining, 80 percent is available to prime sponsors for basic grants under subpart 1 (of which not less than 22 percent is to be expended pursuant to cooperative agreements with local educational agencies) and 20 percent is available to prime sponsors for entitlement matching grants under subpart 2; and (3) of the amount available for subpart 1, 5 percent is available to Governors for special statewide services, 3 percent is available for Native American youth programs, and 3 percent is available for migrant and seasonal farmworker youth programs.

Subpart 1 of part A of CETA title IV, as amended by this act, establishes basic grant programs designed to make a significant long-term impact on the structural unemployment problems of youth and to enhance their job and career prospects through the provision of interrelated employment, training and educational opportunities. Subpart 1 allows prime sponsors to provide and expand upon all services now authorized under the Youth Employment and Training Program and the Youth Community Conservation and Improvement Projects.

Subpart 2 of part A of title IV, as hereby amended, establishes and provides one-half of the cost of entitlement programs of part-time and full-time employment and/or other compensated activities for economically disadvantaged youth in selected poverty areas. Funds available under subpart 1 of part A can be used by the prime sponsor to meet the entitlement match requirement. Prime sponsors may also use matching funds for full-time work opportunities in national priority projects such as energy conservation, housing rehabilitation, etc.

Eligible participants include: (1) those youth who are economically disadvantaged and aged 16 to 19, inclusive, or aged 20 and 21 if enrolled in high school or high school equivalency programs, or aged 14 and 15 (but only for purposes of counseling and related services); (2) youth facing special barriers to employment who would otherwise be eligible under the above-mentioned criteria except on the basis of income (for whom 20 percent of the funds available under subpart 1 may be used); and (3) participants in programs authorized under subpart 4 of part A of title IV of the Higher Education Act of 1965 (i.e., programs for students from disadvantaged backgrounds).

TITLE II

Title II of H.R. 6711 authorizes a new program of Federal assistance to increase the employability of disadvantaged youth. This is to be accomplished through school-based programs in basic and employment skills training. The program will be administered by the Department of Education and is authorized for fiscal years 1981 through 1985.

The majority of the funds will be used for basic grants to local school districts in areas with high concentrations of poor children. These grants will be distributed on the basis of numbers of poor children and State per pupil expenditures.

Local school districts receiving funds are required to select for programs only those secondary schools and area vocational schools which serve large numbers of low-income or low-achieving youth.

In order to participate in the program, each school must develop, with the help of a broadly representative school site advisory council, a school plan for use of the funds. Funds under this title are available for activities that meet the special educational and training needs of youth, and youths identified as having the greatest needs are to be given priority for participation. Private school children are also eligible to participate.

This title requires each local educational agency to spend at least 25 percent of its funds on vocational education. However, in any eligible county in which there is one or more area vocational schools outside the control of such school district, 25 percent of the county allocation is to be set aside for programs jointly agreed upon by the school district and the area vocational school. The funds devoted to this joint agreement can be counted against the local 25 percent for vocational education.

In addition to the funds allotted for basic grants, 15 percent of the funds under this title will be available for States to make grants to school districts in counties which are not eligible for basic grants. Independent area vocational schools could also receive these grants. These State supplemental grants are to be used to operate programs of basic skills, employment skills, and vocational training in schools serving concentrations of low-income or low-achieving youth.

The bill requires each school district receiving funds to set aside 22 percent of its funds for programs carried out pursuant to joint agreements between local educational agencies and prime sponsors.

The bill also requires 2.5 percent of the funds to be set aside for each State to operate programs to improve the basic and employment skills of migrant and neglected and delinquent youth, and 2 percent of the funds for students being served in the outlying areas and under the Bureau of Indian Affairs.

Finally, the bill contains several amendments requiring State and local educational agencies to coordinate activities funded under this title with those funded under CETA.

Legislative Consideration

H.R. 6711 was introduced on March 5, 1980 by Chairman Perkins and cosponsored originally by 6 Members. This legislation, which contained the Administration's proposals for youth unemployment, was referred to the Committee on Education and Labor. On March 11, 1980, the bill was referred jointly to the Subcommittee on Elementary, Secondary and Vocational Education and the Subcommittee on Employment Opportunities. Hearings were held on this and similar legislation by the Subcommittee on Elementary, Secondary and Vocational Education on February 25, 26, 27 and 28 and March 3, 4, 5, 6, and 13, 1980; and by the Employment Opportunities Subcommittee on March 11, 13, 18, 19 and 25, 1980.

Prior to the introduction of this bill the Subcommittee on Elementary, Secondary and Vocational Education had conducted five oversight hearings early in 1980 on secondary education. These hearings provided valuable background information for consideration of title II.

On April 17, 1980, title I of H.R. 6711 was considered in open legislative session by the Subcommittee on Employment Opportunities and ordered reported to the full committee by voice vote with an

amendment in the nature of a substitute to title I and additional amendments.

Title II of H.R. 6711 was considered in open legislative session by the Subcommittee on Elementary, Secondary and Vocational Education on April 24 and 29, 1980. The subcommittee, by voice vote on April 29, 1980, ordered the bill reported to the full committee with an amendment in the nature of a substitute to title II and additional amendments.

On May 6, 1980, the Committee on Education and Labor, in open legislative session, took up consideration of H.R. 6711, as amended by both subcommittees. By voice vote, the full committee ordered that the bill, with amendments, be reported to the House with a recommendation that it pass.

It should be noted that in addition to H.R. 6711, the problem of youth joblessness generally and several other bills relating to youth employment were the subjects of testimony before the Subcommittee on Employment Opportunities in hearings held during both sessions of the Ninety-sixth Congress. Specifically, testimony was received on H.R. 4465 and H.R. 4534 at hearings held in Washington, D.C. on June 20, 26 and 27 and July 18, 1980; in Los Angeles on August 13 and 14, 1979; in New York City on September 17, 1979; and in Philadelphia on October 20, 1979. Further testimony was heard by the subcommittee in Washington, D.C. concerning H.R. 4465, H.R. 4534, H.R. 5876, H.R. 6208, as well as H.R. 6711 on March 11, 13, 18, 19 and 25, 1980. Oversight hearings on CETA-Vocational Education coordination were conducted jointly by both Subcommittees on June 12 and 13, 1979.

Need for the Legislation

INTRODUCTION

The Committee on Education and Labor has long been concerned with the problem of youth unemployment. The evidence developed before the Committee, as well as that developed by the Vice President's Task Force on Youth Employment, indicates that the causes of youth unemployment are many, and that no simple solutions to the problem exist. Nonetheless, there is a general consensus that youth unemployment is caused both by the lack of jobs for youth as well as by the general absence of marketable skills among youth; by inadequate education, and by insufficient opportunities. It is the Committee's considered opinion that the roots of the problem lie both in the labor market and in the educational system—and in the lack of coordination and cooperation between the two. With this in mind, the Committee has developed a bill that deals with all aspects of the problem. Title I of the Committee bill deals with the revision of our existing youth employment and training programs, including a new program of youth employment services; Title II deals with a new program of remedial education, employment skills, and vocational training for our high school age youth whose inadequate preparation bars them from the labor market. While each title is important and explained in detail in the following pages of the report, the Committee wants to emphasize that the development of a program that deals with the problem of youth unemployment by a comprehensive approach providing for a new form of cooperation between the employment and education systems is as significant as the details of each of the programs.

NEED FOR TITLE I

In 1977 Congress passed the Youth Employment and Demonstration Projects Act (Public Law 95–93) to address rapidly rising unemployment among the nation's youth, particularly minority and economically disadvantaged youth. This Act authorized new programs, to be operated by the Department of Labor, to test the efficacy of a variety of approaches to alleviating youth unemployment. The authorization for these programs expires September 30, 1980.

Although these programs have impacted on close to one million youth, the sheer magnitude of the problem coupled with the increased labor market entry of young people have resulted in unconscionably high levels of unemployment among a generation of young people. In fact, today youth account for nearly half of the nation's unemployed.

The Youth Employment and Demonstration Projects Act of 1977 has been subjected to more study, evaluation, experimentation and assessment than any other employment and training program in our nation's history. The subject of youth unemployment has been subjected to exhaustive review by the Congress and the Administration. The Committee has held 15 days of hearings on this issue during the 96th Congress. The Administration conducted an in-depth domestic policy review in developing what the President referred to as "the most comprehensive youth employment program ever envisoned". The bill reported by the Committee takes these evaluations into account. It is the Committee's view that the Youth Employment and Demonstration Projects Act of 1977 has demonstrated that intensive efforts to improve the employability of youth, coordinated approaches with schools and employment programs, supportive services and other provisions of the 1977 Act have had a measurable impact on the ability of disadvantaged young people to obtain unsubsidized employment and to enhance their chances for long term employment gains. In June 1979, Ernest Green, Assistant Secretary of Labor for Employment and Training, testified on the impact which the CETA youth programs have had on youth employment:

> Between December 1977 and December 1978 employment among youth 16 to 19 years old increased 157,000; new jobs under CETA's youth programs equalled 89 percent of this increase. In that same time period, black youth employment increased 63,000, with CETA jobs once again equalling 89 percent of the gain.
>
> For 20 years up to 1977, the labor force participation rate of black teenagers, especially males, had declined. That trend has now been reversed. The labor force participation rate of black teenage males has shown an increase from 41.1 percent in March 1977 to 47.4 percent in March 1979, reversing the long term trend.

Therefore, the Committee has chosen to expand and improve these programmatic initiatives rather than adopting a substantially new design.

NEED FOR TITLE II

The Problem of Youth Unemployment

For the majority of our young people, initial difficulties in the transition from school to employment are offset by adequate education

and an environment that provides opportunities to learn about job markets and occupational choices. But for millions of young people each year, this transition presents serious challenges.

For the past decade, the overall unemployment rate for youth aged 14 through 21 has remained high--currently around 15 percent, compared with 7 percent total unemployment. However, this aggregate figure masks a far more critical problem with serious long term consequences—the problem of the sizeable minority of youths out of the mainstream who bear a disproportionate share of unemployment.

Secretary of Education Shirley M. Hufstedler summarized this situation in testimony before the Subcommittee on Elementary, Secondary, and Vocational Education:

> Simply put, much of a whole generation of disadvantaged minority young people are not prepared for and therefore cannot find work. Unless we improve their skills now, their prospects for the future are bleak. If we do not act to assist them, huge numbers of these youngsters will never successfully enter the labor force. They will begin a long, slow slide into chronic joblessness, poverty and despair.

Statistics reveal that chronic youth unemployment is concentrated among disadvantaged groups. In fact, three-fourths of total youth unemployment is accounted for by less than 10 percent of the youth population suffering through long periods of joblessness.

The groups most affected are:

1. Minorities: Twenty-five years ago the percentage of employed youth was nearly identical for young blacks and young whites. Today 65 percent of young whites are employed, while only 41 percent of young blacks are. Last year, the unemployment rate for minority teenage males was 34.4 percent, compared with 13.5 percent for white teenage males.

2. Poor: Poor white youths are twice as likely to be unemployed as their middle class counterparts. In fact, the unemployment rate for low-income white youths is as high as for low-income blacks.

3. Dropouts: High school dropouts are three times as likely to be unemployed as high school graduates.

4. Women: Unemployment rates for women aged 16 through 21 are higher than for men among both black and white populations. The rate for single female dropouts is 10 percent higher than for male dropouts.

As Secretary Hufstedler summarized:

> The nation as a whole pays a terrible price for failing to help these young men and women. Perhaps we can estimate the taxes required for welfare, unemployment and social services. But what figure could measure the disruption and instability that breed on their frustration and anger? How shall we calculate the loss to the productive life of the nation of so much talent, so much energy?

Economic and demographic trends suggest that this problem will worsen throughout the 1980's. First, demographers project an increase in the numbers of youth in these higher risk groups. In 1970, 13.5 percent of the population aged 14 through 24 was nonwhite; by 1990, this percentage is expected to reach 18.5 percent. Second, rising

competition in the labor force from adults—older workers, aliens, women—may provide new competition for younger workers. Third, as David Mundel of the Congressional Budget Office noted, "If high unemployment is tolerated during the 1980's in order to reduce inflation, even higher youth unemployment rates, especially for minority youth, can be anticipated."

The changing nature of the labor market is also expected to exacerbate this situation. Over the past 30 years, the number of service jobs has grown 120 percent, as compared with 30 percent for manufacturing. It is estimated that between 1976 and 1985 a total of 59 million job openings will occur—45 million of them white collar and 13 million blue collar. Thus, the majority of new jobs will require communication and technical skills.

Lack of Basic and Employment Skills

The problems of youth unemployment correlate to a large extent with levels of educational attainment. As noted above, rates of joblessness are higher among school dropouts than among those with a diploma. According to a study by the National Bureau of Economic Research, the attributes of doing well in school seem to carry over into success in the labor market.

But a sizable segment of the secondary school population is failing in—or is being failed by—existing high school programs. While the overall dropout rate has declined during the past decade, the percentage of the black and Hispanic population aged 14 through 34 who have not earned a diploma is high—over 20 percent. And in some of our major urban areas, the dropout rate is alarming. New York City school officials report a dropout rate of 45 percent citywide.

Among those youth who stay in school, significant numbers are not mastering the basic skills necessary to function in society, let alone obtain a job. The Carnegie Council on Policy Studies in Higher Education estimated, in the report "Giving Youth A Better Chance," that 20 percent of high school graduates have deficiencies in the basic skills.

Thus, even in areas where jobs are available, the lack of basic educational competencies is seriously impeding employment possibilities of youth. In addition, testimony during the Subcommittee's oversight hearings on secondary education linked the significant failure of large numbers of students in achieving mastery of basic skills with frustration and despair among both faculty and students, and with increases in disciplinary problems.

Assessments of student capabilities and employer needs indicate that many young people, especially disadvantaged ones, lack general employability skills as well as basic skills. The National Longitudinal Study of the class of 1972 found that 4 years after graduation, 28 percent of these graduates felt schools did not offer enough practical work experience and should have placed more emphasis on vocational and technical programs. Less than 13 percent said their school had provided counseling to help them find employment. According to the National Center for Education Statistics, black high school students performed worse than white high school students and no better than white dropouts on an assessment of specific job knowledge, job-related values, and generally useful skills.

These young people pay dearly in the market place. Participants in a conference on private sector employment convened by the National Commission on Employment Policy concluded that "many young people are handicapped in their search for regular employment because of their poor orientation to the world of work in terms of being able to respond to time, discipline, and requirements of safety."

As Thomas H. Murphy, Chairman of General Motors put it:

> We discovered very early that many of the problems we were having with young employees were the same as those the schools were experiencing * * * if he or she fails to follow instructions in school, is frequently absent, or is almost always late you can expect the same bad habits to be carried over to the job * * *. The vast majority of failures in holding a job are due to bad personal habits, not the demand of the job assignment.

In summary, the causes of youth unemployment are enmeshed in a web of social, educational, and economic forces. Many of these forces are beyond the reach of public policy. Other forces can be more properly dealt with by combinations of employment and training provided through the CETA system. These are addressed in Title I of the bill. But insofar as educational deficiencies go hand-in-hand with labor market hardship, educational institutions must play an important role in any truly comprehensive youth employment policy.

Inadequacy of Existing Programs

There are several Federal programs which provide educational and training services for youth. Chief among these are the Title IV CETA programs, the compensatory education program under Title I of the Elementary and Secondary Education Act, and the Vocational Education Act.

Experiences with existing programs have proved that schools can have an impact on youth's ability to find work, and that educational institutions can be influenced by a sound Federal policy. Programs like the Youth Employment and Demonstration Project Act and Upward Bound have shown that the prospects for upgrading employment skills and attitudes are bright. The comprehensive evaluation of Title I of ESEA conducted by the National Institute of Education revealed these programs to be quite effective in raising levels of achievement in the basic skills.

Despite these credible efforts, the youth unemployment problem is nowhere near being adequately addressed by current Federal education programs. While programs such as Title I of ESEA and Vocational Education are to be applauded for their efficacy over the years, their structures are neither intended to address or capable of dealing with the nature of this new youth problem. In addition, the levels of funding for these programs are insufficient to serve their own broad target populations, let alone focus intensively on the disadvantaged secondary school population.

Statistics submitted by the Congressional Budget Office reveal just how limited the amount of Federal funds for secondary school students really is. One-half of the total Federal expenditures for youth aged 14 through 22 is directed toward the one-fifth of that age group in college. The average Federal per pupil expenditure for the postsecond-

ary student is twice that for youth who have dropped out of high school and five times that for high school students. In fiscal year 1979, 34 percent of total Federal education expenditures were directed to elementary students, 12 percent to secondary students, and 54 percent to postsecondary students.

In the Title I ESEA program, less than 20 percent of these funds were spent last year at the junior and senior high level. Fewer than 100,000 of the nation's 11 million high school students are enrolled in compensatory education programs.

Under the Vocational Education Act, Federal funds provided approximately 2 million disadvantaged students with special vocational services in fiscal year 1978. However, this amounts to a Federal contribution of only $50 per student. As the American Vocational Association testified before the Subcommittee, "There are simply not enough facilities nor enough qualified staff, equipment and other resources to meet the needs of all disadvantaged students who could profit from vocational education." A 1979 national study of vocational facilities showed that while central cities contain 22.8 percent of the total population (and a much higher percentage of the unemployed population), they contain only 8.1 percent of the secondary level vocational facilities.

Witnesses before the Subcommittee agreed that there is an overwhelming need for remedial education funds at the secondary school level, but warned that these should not be provided at the expense of elementary school programs. Currently, Title I ESEA does not provide enough funds to serve even the total pool of eligibles at the elementary school level.

As Joan Lipsitz with the Center for Early Adolescent Research stated:

> It is at the very least cost-ineffective to spend considerable amounts of money on the very young in the early grades of schooling without following through to make good on our investment. Likewise, it is an inefficient use of our public monies to concentrate on remediation and re-education at the time of transition into the labor market, while failing to support necessary programs in the middle grades that could reduce the need for later widespread remediation. Most importantly, it is tragic to fail to place more of our resources at a key point in education, a time of maximal growth and stress, when the possibilities for positive intervention in young people's lives are almost boundless.

The Committee bill therefore, proposes a comprehensive new program to improve the basic educational and employment skills of the nation's youth. Under Title II, funds would flow to secondary schools in poverty communities for programs to address the basic, employability and vocational skills deficiencies that contribute to youth unemployment.

The Title II program represents a new commitment that goes beyond existing efforts while at the same time builds upon them. Unlike past programs Title II focuses exclusively on those youth and those areas most prone to unemployment. In addition, a new program provides an unprecendented opportunity for coordination of the education and employment services offered through the existing educational and CETA structures.

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The specific provisions of Title II are discussed in detail in the following section. However, it may be useful to discuss here some supporting evidence for the following major features of this title: the concentration on the neediest area; the placement of responsibility for developing programs at the local level; the role of vocational education; the emphasis on community involvement; and the importance placed upon coordination with CETA programs.

Concentration on Neediest Areas

The legislation targets Federal funds on those counties and school districts with high concentrations of poor children. Generally, urban areas and poor rural areas will qualify for grants.

The soundness of this approach is well-documented. As Secretary Hufstedler concluded, "Although poverty may not be a perfect predictor of youth unemployment, it is the best indicator we have, better even than the adult unemployment rate in a given community."

The populations most at risk in the job market—poor, minorities, dropouts—tend to be concentrated in inner cities and isolated rural areas. The Labor Department estimates that one-fifth of all unemployed youth can be found in just nine cities. While general black youth unemployment hovers around 30 percent, the rate is 50 percent for inner-city black youth. As regards rural areas, an evaluation of the Youth Employment and Demonstration Projects Act conducted by ABT Associates found that rural youth experience greater difficulty finding employment than those in urban locations.

These poor areas also exhibit those symptoms of educational deprivation that contribute to unemployment. A study by the Children's Defense Fund found dropout and nonenrollment rates to be considerably higher in central cities and rural areas. In fact, out-of-school rates for low-income children are nearly 100 percent higher than the average. David Mundel of the Congressional Budget Office noted that almost 20 percent of all young people in the rural south are not enrolled in school and have not graduated from high school, compared to the national average of 11 percent.

According to the National Assessment of Educational Progress, educational achievement is lower in central cities and rural areas regardless of the age group or subject matter tested. In fact, central cities and rural locations were the only places where the National Assessment consistently found low achievement scores; scores in large cities, medium cities, and small towns were all at or near the national average.

It should also be noted that these areas tend to have the highest educational costs. The Council of Great City Schools estimates the cost of education to be 15 to 20 percent higher in urban districts. And rural areas, because of their geographic isolation and small-scale economies, also tend to experience high costs.

Local Program Responsibility

The legislation provides for direct grants to local educational agencies and places the major responsibility for planning, developing, and managing Title II programs at the school building level. The reason for structuring the bill in this manner is to build a strong sense of commitment to the program among school administrators and staff.

Witnesses before the Subcommittee emphasized the important role of local commitment in program success and applauded this feature of

the bill. In the oversight hearings on secondary education, Susan Kaeser testified on a study of successful schools conducted by the Citizens' Council for Ohio Schools. The study concluded that successful schools have in common strong leadership and motivated teachers. A Rand Corporation study of the effectiveness of Federal demonstration programs similarly concluded that the most important factors affecting program success were strong administrative support, strong and continuous involvement in program development and implementation, and a sense of commitment among the teachers.

After making an extensive survey of YEDPA programs, the Council for Great City Schools summarized, "The central lesson learned by the urban school in operating the Youth Employment and Training Programs effort over the last two years is that there is a need for both decentralization and administrative flexibility.

The Role of Vocational Education

The Committee bill permits funds to be used for vocational education services to be provided through local school districts and area vocational schools. These programs will differ from those funded under the Vocational Education Act in that they will have a distinct focus on needy youth and are required to be coordinated with the basic skills and other training programs provided under Title II.

Several studies have established vocational education's success in dealing with disadvantaged students. For example, a study by Sue Berryman of the Rand Corporation found that disadvantaged students participating in vocational programs are:

> a group that does not connect into the high school by excelling academically or through participation in extracurricular activities. However, these students do not evidence the alienation from school or other negative school attitudes that we might expect. In fact, they evidence less of these than the general students.

A University of Minnesota study of that State's vocational education programs revealed that vocational education graduates come from lower academic ranks but fare better in further education and employment when they have experienced increasing amounts of vocational education.

Dr. Norris L. Hogans, Principal of George Washington Carver Comprehensive High School in Atlanta, testified to the enormous success of vocational education programs in serving that school's inner city population.

Both the National Council on Employment Policy and the National Commission for Employment Policy recommended a role for vocational education similar to that in the Committee bill. The Council noted that Federal youth development policy should seek to increase the enrollments of educationally disadvantaged youth in vocational programs. The Commission found that:

> Promising areas in vocational education appear to be where: (1) there is emphasis on combining classroom learning with a work-related component; (2) there is concentration on those occupations which are best learned in the classroom setting; (3) there is an effort to link training to known labor market opportunities; and (4) there is emphasis on a sus-

> tained, integrated approach to youth employability combining the provision of basic skills, job skills, job-seeking skills and placement.

The Committee bill addresses all these elements.

Emphasis on Community Involvement

As part of its oversight hearings on secondary education, the Subcommittee set aside a day to examine "Secondary Schools that Work". A recurrent theme throughout this testimony was the key role community involvement plays in a successful school program.

As Susan Kaeser said:

> Successful schools are committed to meaningful parent and community involvement . . . When the relationship exists, it provides the partnership which results in financial support, protection from vandalism, emotional support and educational support.

Dr. Norris Hogans called particular attention to the need for business involvement in successful vocational education programs.

For these reasons, the Committee bill emphasizes community involvement, including business representatives, in all stages of the program through existing and new local advisory bodies.

Dr. Wilson Riles, California State Superintendent, felt that this was the most important feature of the bill, based on his favorable experiences with State school improvement councils.

Need for Coordination

Existing Federal legislation has repeatedly stressed the importance of leveraging Federal dollars by coordinating local manpower and education programs. But traditionally, these directives have not had much effect, possibly because the incentives as well as the mechanisms to coordinate have been lacking.

The advent of the 22 percent set-aside in YETP represents a firm step in the direction of coordination and appears to be successful in nudging the CETA and school establishments closer together. Witnesses outlined an array of accomplishments achieved with the set-aside. According to the National Council on Employment Policy,

> Policymakers have found that CETA sponsors and schools can work together, and that the YETP 22 percent set-aside has been an effective catalyst for some basic collaboration even where there has been no history of collaboration.

However, these models of collaboration appear to be more the exception than the rule. The 22 percent set-aside has not touched many areas of the country. Active manpower-education partnerships need to be established in many more communities.

The committee bill contains a number of amendments intended to foster coordination and avoid duplication. Chief among these is the requirement for a set-aside of title II funds for joint agreements with prime sponsors, modeled after the YETP set-aside.

The reason that the 22 percent set-aside has resulted in better working relationships than previous efforts at coordination stems from the incentives it provides. According to the National Council on Employment Policy, "Even the most steadfast policy supporting a

manpower-education partnership is useless without vested interests that are truly shared by both institutions."

Thus, the set-aside in the education title is intended to strike a balance by providing both the education and CETA systems with a share of funds for joint agreements.

Major Provisions of the Bill

TITLE I

Duration

The Committee recognizes that sudden, substantial changes in existing youth programs would adversely impact upon efforts to stem the tide of youth unemployment. Therefore, the Committee has proposed that youth employment programs under Title IV-A of CETA be extended without change for fiscal year 1981. The amendments proposed to Title IV–A would take effect in fiscal year 1982 and are authorized through fiscal year 1985. However, the bill provides that funds appropriated for Title IV–A for fiscal year 1981 may be used for the purpose of developing plans for the implementation of program changes which would take effect in fiscal year 1982.

Consolidation

The Youth Employment and Demonstration Projects Act authorized three major programs with differing program administration and eligibility criteria. The Committee bill provides uniform eligibility for Title IV–A, consolidates the Youth Employment and Training Programs and the Youth Community Conservation and Improvement Projects into a single basic grant program and authorizes a modified Youth Incentive Entitlement Program as a matching grant program. Additionally, the bill provides that the basic grant program shall be coordinated with the Summer Youth Program authorized under Part C of Title IV. Consolidation of the current categorical programs should reduce confusion with respect to participant eligibility, as well as reduce paperwork and reporting requirements. The Committee believes that local experience should dictate future program design and provide the basis for decisions on the appropriate mix of program activity.

Eligibility Standards

Under current law there are four separate and distinct criteria used to determine eligibility for participation under Title IV youth programs. The Committee bill substitutes a uniform eligibility standard but provides flexibility to serve other youth in need. With respect to age, the Committee bill defines eligible youth as aged 16–19, inclusive but includes those youth aged 20 through 21 if they are enrolled in high school or a program leading to a certificate of high school equivalency. It extends eligibility to 14 and 15 year old youth only for purposes of counseling, occupational information and school-to-work transition services.

With respect to income, the bill requires that eligible youth must be economically disadvantaged, but allows 20% of the funds to be used for youth who do not meet the income eligibility if they face substantial barriers to employment. It is the Committee's intention that the restriction be carefully followed so that only youth with significant

barriers to employment such as handicapping condition, language barriers, pregnancy or maternity or other similar barriers qualify under this provision.

In addition, any youth participating in a program under subpart 4 of Title IV–A of the Higher Education Act is also eligible for this program. One of the Committee's principal objectives in adopting H.R. 6711 is to facilitate coordination between youth programs under Title IV of CETA and education programs for disadvantaged students. To this end, the Committee bill provides that individuals participating in "Special Programs for Students From Disadvantaged Backgrounds" under Subpart 4, Part A of Title IV of the Higher Education Act of 1965 are eligible for participation in youth programs under Title IV of CETA; however, it is not the intent of the Committee to allow individuals to participate in programs under Title IV who do not fall within the age parameters of outlined in Section 414(a).

Participant Assessment

The Committee has included three provisions for evaluating individual participant progress in the CETA youth programs. These provisions may also serve to measure the quality of service provided to youth in these programs.

First, H.R. 6711 provides for the development of achievement standards against which participant performance can be accurately measured. These standards are to be developed by prime sponsors on the basis of recommendations from a broad range of sources in the community, including the youth council authorized under this Act, the prime sponsor's planning council, the private industry council, educational agencies, relevant juvenile and criminal justice agencies, labor organizations, business, community-based organizations and other local institutions.

Second, prime sponsors are required to design an individual employability plan for each participating youth, formulated through consultation with educational and other appropriate agencies. The plan will be periodically reviewed and adjusted, as needed, through the duration of the youth's participation.

Third, the Committee concurred with and adopted a provision proposed by the Administration which requires prime sponsors to formulate, maintain and update an individual achievement record for each participating youth documenting such youth's needs and competencies. Such achievement record must be coordinated, to the maximum extent feasible, with any school attended by the youth. The Committee intends that this record be used not only as an evaluative tool, but also as a document which the participant can use to indicate employability credentials to assist such youth in gaining and retaining a job. Provisions are included to protect the confidentiality of such records.

Joint Agreements with Local Education Agencies

Current law provides that 22 percent of the funds for Youth Employment and Training Programs is reserved for programs for in-school youth carried out pursuant to agreements between prime sponsors and local educational agencies. This reservation of funds has provided both the incentive and the mechanism for coordination, and the Committee believes that this and other provisions of current

law which foster a climate of collaboration should be retained. Testimony presented before the Committee indicated that the 22 percent set-aside has served to develop cooperation where it never existed before and has offered a unified approach to the difficulties youth encounter which cannot be addressed effectively by either the schools or prime sponsor acting alone.

The Committee bill modifies the 22 percent set-aside in four ways: First, it removes the restriction to programs for in-school youth. The Committee intends that agreements under this provision should include efforts to reach and serve dropouts. Second, the bill requires the agreement to include appropriate alternative education arrangements for those youth who need such services. The Committee has heard repeated testimony on the necessity of providing alternative education for youth who have not succeeded in a traditional school setting. Such alternative programs may be offered by the public school system or through arrangements with community based organizations or others who provide instruction leading to a high school diploma or a certificate of high school equivalency. Third, the Committee bill provides that the funds under the 22 percent set-aside may be used only for activities pursuant to an agreement with a local educational agency. If such agreement is not reached, the funds revert to the Treasury. Fourth, the Committee bill requires that the prime sponsor must first reach agreement with local educational agencies subject to the comparable coordination requirement under Section 220(b) of the bill before funds may be utilized for agreements with other local educational agencies. The Secretary may waive this requirement if the Secretary determines that the prime sponsor has made a good faith effort to enter into agreements with local educational agencies under Section 220(b).

Section 302 of the bill further requires that the 22 percent set-aside under Title I as well as the comparable set-aside for local educational agencies under Section 220 may be increased by 3 percent for each year for which the program is authorized up to 31 percent in fiscal year 1985.

Supportive Services

The Committee bill authorizes prime sponsors to provide supportive services to eligible youth to promote the transition to unsubsidized employment. Such services include child care, transportation and follow up services through cooperative arrangements between employers and providers of services for up to ninety days to enable youth to retain employment. To encourage the provisions of follow up services, the Committee bill provides that follow up services will not be included in the computation of the prime sponsor's cost per placement.

In visits to youth employment projects and in hearing testimony, the Committee obtained substantial evidence on the necessity for providing child care assistance to unemployed youths who are parents. Without such assistance, young women are frequently unable to obtain the basic skills or job skills to enable them to become self supporting.

Ms. Marian Pines, Director of the Baltimore Office of Manpower, testified on the importance of child care in the Baltimore Entitlement Program:

> Fully a third (of the participants) have kids of their own. That is sixteen to nineteen year olds who are parents. It is hard enough for adults, I submit, to be a job holder, a student and a parent all at the same time. But for sixteen to nineteen year olds, this is almost more than they can cope with. One or the other or everything suffers in terms of their ability to function in society. We have created parent infant centers connected with our alternative education programs so that youngsters that are enrolled in these programs do not have the worry and the concern that their own children are not being properly cared for.

Special Programs in new Career Areas

The Committee bill authorizes prime sponsors to conduct special programs in new career areas, occupational fields that are experiencing shortages and fields in which national need is increasing.

The Committee feels that the purpose of a training program is to assure an adequately trained workforce in all areas of the economy, and to draw people who are not now in productive employment into areas of expected growth. One such area is solar energy and energy conservation. The Committee believes that (over time) these areas will provide a rapidly increasing need for a trained workforce. Without skills in these areas, the quality of manufacture, assembly and maintenance will likely suffer, as will the pace of solar energy development.

A study prepared for use by the Subcommittee on Energy of the Joint Economic Committee indicates that Federal investment in solar energy and energy conservation will result in over 33 thousand jobs for every million dollars of Federal investment, that is over 2 million jobs by the 1990's. It is also apparent to the Committee that this expanding field will require substantial increases in the trained workforce for installation and maintenance of such facilities. Conservation and solar measures will stimulate approximately 2.5 times as many jobs nationally as will the use of an equivalent amount of oil, natural gas and electricity. It is the intent of the Committee to encourage, as part of this youth initiative, training in the areas of solar energy and energy conservation in anticipation of this expanding need.

Career Intern Program

In amending the bill to provide the authority to develop career intern programs under the basic grants and general provisions, it is the intent of this Committee to encourage alternative education programs based on the successful model of the career intern program. However, we do not intend to limit the development of an alternative education program to this model.

The Career Intern Program, and those which require the cooperation of community-based organizations, the prime sponsor, and the local education agency can provide an effective academic and career training program for drop-outs and potential drop-outs in an alternative setting.

The Career Intern Program which was originally developed by the Opportunities Industrialization Centers (OIC) in Philadelphia, can provide a successful model for replication in almost every community. Under this program, community-based organizations, again, in co-

operation with the local educational agency, develop individualized programs of academic training leading to a high school diploma, exposure to career experiences, training and counseling. Students or "interns" undergo classroom training in the basic disciplines, curricula, including observation of practical work experience situations. As the individual's career goals are identified, emphasis is placed on their realization, whether that be continued education, job placement or skill training. Counselors work closely with the interns to locate work, apply to an institution of higher education, or enter a skills training program.

Youth Councils

It is the considered opinion of the Committee that the local community should have a major impact upon the design and implementation of programs devised to cope with the problem of youth unemployment. To this end, the Committee bill strengthens existing youth councils by requiring that the council's membership be not less than one-fourth youth, and by requiring that the prime sponsor provide staff for professional, technical and clerical assistance. It is the Committee's intent that wherever feasible, CETA eligible youth be represented on the youth council. Moreover, the Committee bill provides that the membership of this council shall reflect the ethnic composition of the community so as to better represent the youth to be served.

Youth Incentive Entitlement and Supplemental Work Projects

Experience under the Current Program.—In 1977 the Committee enacted one of the largest youth employment experiments in the Nation's history, known as the Youth Incentive Entitlement and Pilot Projects. The purpose of this program was to determine whether tying a guaranteed job to attendance and performance in school would enhance the ability of youth to succeed in school, obtain a high school degree, and increase their future employability.

Unlike many other Federal programs, the Committee did not harbor any preconceived notions or heightened expectations. All the Committee desired was enough information to determine whether the program should be continued, expanded, reworked, or dropped all together. The Committee hoped that the research would help in the design in other related youth efforts.

The Youth Incentive Program provides a work guarantee of up to 20 hours a week during the school year and up to 40 hours a week during the summer to youth ages 16–19 from families on welfare or within incomes at or below the poverty level in 17 selected "demonstration" areas. These areas were chosen from 153 original applicant prime sponsors, and represented differing socioeconomic and regional circumstances. The demonstrations ranged in size from "saturation" programs such as Baltimore's, which involved a budget of $50,000,000 and 12,000 youth, to the one operated by Dayton, Ohio, which had only 67 participants through August, 1979.

The model contained many innovative features including performance requirements not only on youth, but participating schools and employers. The program provided for full 100 percent wage subsidies in the private sector and called for a creative mix of work experience,

vocational training and exploration and similar combinations. The only common denominator among the various demonstrations, outside the actual guarantee, was that each site had to be of sufficient size and scope to assure an entitlement to all eligible youth within the area selected. As a result, program size ranged from an entire city to a single school attendance area.

Entitlement has been in operation since March, 1979, and through August, 1979 more than 63,000 low-income youth have participated, with current program levels exceeding 30,000. During this time the Department of Labor, through the Manpower Demonstration Research Corporation (MDRC) has done an exhaustive on-going analysis of the effects of entitlement on youth. In addition, considerable information has been developed on the administrative aspects of the program. In fact, more information has been developed on the needs of youth in this one program than any other program. The results of the Entitlement Program are striking. It has become the most targeted and cost effective of all the youth programs. By August, 1979, of the more than 60,000 youth that had enrolled, 80 percent were minorities, almost exactly half were female, nearly all were from families at or below the poverty level. More than 20 percent had dropped out of school. At one time, approximately 12 percent were considered out-of-school and nearly 45 percent were from families receiving welfare. Interestingly, more than half were 16 year olds.

The cost for this program is less than for any other program operated under YEDPA. The full year cost for youth in youth entitlement was $4,749 per year per slot, but only $1,637 per individual. This resulted primarily from youth moving in and out of the program at various times during their school career. For example, some youth participated only during the summer and some youth only participated during one term in the school year, if they were involved in school athletics. This compares, for example, to a cost of more than $8,000 per slot for the Youth Community Conservation Improvement Program. Perhaps the most important statistic is that more than half the job sites developed under youth entitlement have been by private sector organizations and nearly 35 percent have been by for-profit companies. We believe this is an extremely impressive figure considering the time it normally takes to develop employment opportunities, the traditional reluctance of private sector to become involved in job programs and their traditional reluctance about employing low-skill youth.

Perhaps the greatest difficulty encountered in the program was the reluctance of school systems to change their regular programing to allow youth to participate in entitlement jobs or to recruit out of school youth.

Even so, entitlement has encouraged a tremendous amount of institutional change, and has enhanced the involvement of private industry, the schools and community based organizations in the delivery of employment and training services to economically disadvantaged youth. Success has not been easy and has come in the face of constant change in the CETA program and the extraordinary difficulty in involving traditionally antagonistic institutions such as the schools and CETA. Despite these problems MDRC has concluded that the program can be made operational and the Committee concurs.

Expansion.—The Committee recognizes that entitlement requires

a complex administrative design, and should only be operated by prime sponsors and willing schools that have the administrative capacity to be effective. The Committee has made the necessary changes to provide for a careful and deliberate expansion.

MDRC estimates that to extend entitlement to all poverty youth in the country would cost $1.5 billion. The Committee does not recommend moving to such a level at this time. The entitlement program should only be expanded to the extent that prime sponsors have the administrative capacity to implement the program. To make this easier, the Committee has made the program more flexible and more easily adaptable to local conditions.

Entitlement.—The entitlement program is not a broad entitlement in the sense of "veteran benefits" or "social security." It is absolutely limited by the amount appropriated for Title IV–A. The Committee expects the Secretary to implement the program in a manner to provide sufficient opportunities to eligible youth who meet the program requirements and to designate areas in such a way to assure such opportunities are provided. Experience with the current entitlement program shows that this can be done with almost no chance that demand will exceed program expectations. The Committee would encourage the Secretary to follow the 1977 mandate that sufficient funds be held in abeyance to cover those instances where prime sponsors have underestimated demand. The Committee believes even this will be less likely after the 1980 census becomes available.

Making the Program Operational.—Eligibility for the entitlement program has been extended to all prime sponsors who agree to match half of the cost of the program out of their regular youth funds and who meet certain explicit program requirements. The Committee does not expect all prime sponsors to participate nor does the Committee expect the Secretary to approve all prime sponsor applications just because a prime sponsor has indicated an interest in the program. Rather, the Committee expects the program to be developed in the following fashion: Section 432(b) of the Act requires the Secretary to make a tentative allocation to all potential applicants for funds to enable prime sponsors who might desire to participate in the program to decide whether, in fact, they wish to contribute the required 50% to develop an entitlement effort. But the Committee feels that some prime sponsors may have no desire at all from the beginning to participate in this program. To assure that tentative allocations go only to those primes who do express an interest, the bill requires the Secretary to distribute to each potential applicant a list of the poverty areas in that applicant's state, the number of residents of such areas who are at or below the poverty level, and the total number of such individuals nationally. Poverty area is defined under Section 432(e) of the Act. At this point prime sponsors are required to indicate whether they, in fact, are interested. The Secretary will then distribute a tentative allocation to those prime sponsors who express an interest, based on the number of economically disadvantaged youth, age 16–21, residing in poverty areas within the prime sponsor area. Once these allocations are made, prime sponsors will formulate applications according to the requirements spelled out in Section 434.

The Secretary is to review these applications carefully, and is not to automatically pass funds through to prime sponsors just because they

have expressed an interest. Key to the review is the finding that the applicant prime sponsor has the administrative capacity needed to run the program and the willing participation of the relevant school. This may require the Secretary to go beyond the "paper" application in assessing a prime's managerial capability.

Developing Incentives.—The Committee requires prime sponsors to reward youth who are making satisfactory progress towards a high school diploma or its equivalency with more varied entitlement opportunities, and requires those youth who are not making progress to first obtain the needed remedial education before being eligible for a more attractive job or other activity. It should be emphasized that for such remedial education to be "compensable" it has to be provided outside the regular school curriculum. The Committee wishes to stress that succeeding in school is a major goal of the program and opportunities to youth should be structured accordingly.

Agreements With Schools.—One of the biggest stumbling blocks to current programs has been the unwillingness of schools to alter their program to accommodate the job requirements of participating work sites. The bill requires the school to agree to allowing for flexibility hours. In addition, the agreement includes other areas—such as designating in-school counselors, procedures for developing an education and employability plan; procedures for counselors to develop standards of participating, and procedures to involve the private industry council.

Compensable Activities.—The Committee has extended the "job guarantee" to include other compensable activities. The Committee feels that limiting the guarantee only to the traditional "job" may well prevent the youth from doing what is best for that youth's future. In some cases, youth may need after school remedial education to improve the youth's chances for graduation and to meet minimum school standards.

For other youth, "community services", such as helping the handicapped, or participating in "meals-on-wheels", or providing nursing care to the elderly, may be more of a career enhancement than working at a fast food counter. The Committee however, believes that any such "activity" be made pursuant only to the employability plan required of all youth under Title I, and that it be agreed to by the youth's counselor. The Committee expects that the rigid standards of attendance, punctuality and performance applied to a "job" also applies to these "activities."

Change in Youth Eligibility.—The Committee has changed the eligibility for youth to participate in entitlement from "poverty" to 70% lower-living standard to conform with the eligibility under the rest of the Title IV–A.

Summer Extension.—The bill provides that the guarantee include a job during the summer to youth who successfully obtain a high school equivalency or diploma at the end of the regular school year. This will prevent youth from being rewarded at graduation with a "pink slip."

Bonus Provision.—The Committee includes a requirement that the Secretary test, with funds available to him under his discretionary account, the concept of rewarding participating youth who succeed in obtaining a high school degree with a "bonus," either in the form

of a "scholarship" to help defray the initial costs of continued post-secondary education, or as a subsidy to private employers who agree to employ a graduate for a year. The amount of the bonus must be equal to at least 300 hours of paid compensation, and it is to be undertaken, in at least two but not more than five entitlement sites. However, the Secretary is to have wide discretion to alter the bonus to try out differing concepts. In addition, prime sponsors may, with their own funds, develop such activities under the guidelines established for this experiment.

Relation to Title II and the 22 percent Set Aside.—The availability of entitlement to primes may confuse the application of the 22 percent set aside and the involvement of eligible schools under Title II. It is conceivable that an eligible school attendance area which is a recipient of Title II funds would also be selected as an entitlement area. The Committee feels that the Secretary should consult with the Secretary of Education in developing a joint understanding of how to conform the Act's requirements to the resources that would become available under this program to prevent duplication, conflict of design, and other unexpected problems.

The Committee would assume that funds utilized for purposes of entitlement would be attributed toward the 22 percent mandate but only to the extent that the entitlement is made part of a collaborative effort with the respective school.

Supplemental Job Opportunities.—The Committee has extended job opportunities to economically disadvantaged youth aged 16 to 21 residing in the poverty areas selected for entitlement who have obtained a high school diploma or its equivalency. These opportunities are provided in the recognition that otherwise jobs may not be available to such youth, and to provide encouragement for in-school youth participating in entitlement that job opportunities will be available upon graduation.

Youthful Offenders

The Department of Labor estimates that about 30 percent of the U.S. labor force have records of arrest or conviction. This proportion is even higher among disadvantaged youth, and some have estimated that about half of the non-student population have criminal records.

Underscoring the seriousness of the problem, the Congressional Budget Office recently found ("Federal Law Enforcement Assistance: Alternative Approaches, (Washington, D.C.: CBO, April 1978)) that the number of youth in the labor force and their corresponding unemployment rates were highly correlated to the number of crimes reported to the FBI.

Despite the evidence linking youth unemployment with crime, the Committee was distressed to learn that less than one percent of Title IV discretionary money was targeted for youthful offenders in Fiscal Year 1980, and that only about one-sixth of the 470 prime sponsors have any special youthful offender programs whatsoever. In recognition of the need to provide increased services for young offenders, several amendments were adopted to Title I of this Act.

Under Section 424(a)(12), each prime sponsor eligible for entitlement funds shall provide assurances that employment and supportive services will be provided to youthful offenders. Such supportive services should be comprehensive in accordance with Section 211 of

CETA, including basic education, drug addiction or dependency rehabilitation, health care, residential support, programs to overcome artificial barriers to employment, promotion of the Targeted Job Tax Credit, and support for the Federal Bonding program.

Youthful offenders also qualify under Section 423(c) for special statewide youth services, and all prime sponsors, including the Governors, are authorized to provide programs to special statewide school districts. This will allow state correctional school districts (e.g., prisons, training schools, and similar institutions for delinquent or supervised youth) to become eligible for CETA funds.

Particularly with respect to offenders, the Committee concluded that many laws and practices unduly limit the employment opportunities for offenders. For example, a study by the American Bar Association found nearly 2,000 state licensing laws that act to bar offenders from millions of jobs, including being a busboy in a restaurant or a barber. The Secretary is therefore authorized in Section 422(a)(6)(D) to provide programs that overcome employment stereotyping based on a criminal or juvenile record. Because so little effort has been made in this important area, Section 105 of this Act requires the Secretary to prepare an annual report on efforts to reduce or eliminate artificial barriers to employment.

Finally, Section 488 not only authorizes the Secretary to make available supplemental funds to those eligible applicants who are providing services to youthful offenders, but the Secretary is also authorized to create an Offender Outreach Program designed to encourage prime sponsors to target increased services to youthful offenders as well as to inform offenders of employment and training opportunities under this Title.

The Secretary shall also insure that Title IV programs are included in the annual survey of offender programs required by Section 301(b)(2 of the Comprehensive Employment and Training Act Amendments of 1978.

Amendments to Wagner-Peyser

Considering the increased labor market participation of youth, primarily due to the demographics of the post-war baby boom, as well as the inordinately high level of unemployment among such youth, it is the Committee's view that increased resources should be made available to the State Employment Service offices specifically to serve this target group.

Despite the growth in the size of the labor market, mainly youth and women, the staff funding for the U.S. Employment Service nationwide has remained at a static level of 30,000 positions for over a decade. In the 1978 revision and reform of the Comprehensive Employment and Training Act (P.L. 95–524) the Committee required a report from the Labor Department on Legislative recommendations concerning the Wagner-Peyser Act. Although this report, due February 1979, has yet to be submitted, it is the Committee's considered opinion that at least some incremental changes must be accomplished to allow the Employment Service to adjust to changing labor market conditions, such as the increased entry of youth.

The amendment to the Wagner-Peyser Act adopted by the Committee requires State Employment Service agencies to provide services which include orientation to labor market conditions and requirements,

referral to supportive services, promotion of targeted jobs tax credit and on-the-job training opportunities in the private sector, and placement activities.

Additionaly, in-school services are required to be provided to assist school-to-work transition, which include dissemination of labor market information, development of job search skills, development and operation of automated data systems, vocational apptitude testing, matching funds for school counselor training and related services, and consultation of school systems with private employers in the development of curricula.

TITLE II

Purpose

The committee bill makes clear that the purpose of this program is to provide financial assistance to increase youth employability by promoting mastery of basic skills and employment skills among disadvantaged youth: and in order to achieve this goal, it is necessary to target resources on schools with high concentrations of poor or low achieving students and to promote a partnership among educators, employment and training officers, and private sector employers.

Allocation of Funds

The committee bill divides the funds in the following fashion: 2.5 percent is set aside for programs for migrant and neglected and delinquent children; 15 percent is set aside for grants by State educational agencies for school districts not within counties receiving funds under the basic grant portion of the bill; 1.5 percent is set aside for State administration; one-half of 1 percent or $5 million, whichever is less, is set aside for national research and demonstration programs; 1 percent is set aside for outlying areas and an additional 1 percent for Indian programs; and the remaining 78.5 percent of the funds is available for basic grants to local school districts in eligible counties.

Basic Grants

For fiscal years 1981 through 1985 the Committee bill makes available 78.5 percent of the funds for basic grants to local school districts through a formula using census data, data on the numbers of children receiving AFDC payments, and data counting neglected and delinquent children. These grants are also determined using data on State per pupil expenditures within certain minimum and maximum limits. The grant to Puerto Rico is determined in a special manner so that it would receive more than if it were being treated as an outlying area but not as much as if it were to be considered as a State.

The Committee bill provides for the use of the most recent decennial census data in making these determinations. The committee expects the Department of Education to shift to the 1980 census in making these determinations; however, this shift is not to be precipitous and is to be made only when satisfactory data from that census is available to determine these grants.

The Committee bill requires States to process payments to eligible local school districts within 45 days of the receipt of an application that substantially meets the requirements of this title. The States, of course, can only process such payments when they have received funds from the Federal government for this purpose. Once they have received such funds, it is important that there be swift dispersal of these funds for local programs.

The Committee bill provides that 25 percent of any county's allocation is to be set aside for vocational education in any eligible county in which there is one or more eligible school district and in which there is one or more area vocational school not under the administrative control of such school district or districts. These funds would be available for programs jointly agreed upon by the school district and the area vocational school. A school district could count the funds involved in any such agreement against the requirement that it must use at least 25 percent of its basic grant for vocational education.

Selection of Schools

Under the Committee bill schools would be selected for programs only if such schools were secondary schools or area vocational schools and if such schools served large numbers or percentages of low-income youth or low-achieving youth (as determined by State-designated basic skill tests). The Committee wishes to emphasize that the determinations concerning the number of low-income children in schools should not be made on the basis of student and family income surveys if it is at all possible to avoid such surveys; rather, objective sources of income data ought to be used. In determining which schools would qualify on the basis of their numbers or percentages of low-achieving youth, the Committee does not want to arbitrarily establish any percentage of students scoring below a particular percentile in basic skills achievement on objective tests as a qualification. Nor does the Committee want a dilution of the funds available for serving low-income youth. The Committee recommends that the Secretary use reasonable discretion in determining what constitutes a "large number or percentage of low-achieving youth as determined by a measurement of basic skills", in a manner which will ensure targeting of those youth most in need. Lastly, the Committee wishes to make clear that the eligibility requirement for secondary schools is not meant to be exclusive in the sense of eliminating a school which serves other grades such as grade 6, in addition to grades 7 through 12; rather, any school including any of the grades 7 through 12 would be eligible.

Development of School Plans

The Committee bill requires that every school receiving funds must develop a plan for the use of those funds. The plan must be reviewed and commented upon by a school site council. This plan must include short and long term goals and the methods of achieving these goals including the use of alternative education programs.

The school plans must address each of the provisions set out in Section 213(b)(2), and the exact reasons must be given for not complying with any of those provisions. As regards the alternative education programs, the Secretary must promulgate guidelines so that local school districts can exempt schools of insufficient size from having to comply with that provision. Alternative education programs under this section must be administered by the school, either through contract or by itself.

Each plan must also seek to involve the prime sponsor and the private sector in assisting in general work experience and cooperative vocational education programs. The Committee adopted an amendment which changed this provision from "work experience" to "general work experience", but this change should not be construed as expanding the number of students eligible to participate in these activities.

The Committee bill also requires the State educational agency to establish minimum standards, based on general guidelines issued by the Secretary, with which the performance goals set by the schools must comply. The Committee wishes to state its intention that the Secretary's general guidelines are to be merely general standards and not specific standards binding States or local school districts.

Allocation to Schools

Each local school district must take into account the needs of each school and the quality of the school plan in determining which schools will receive funds. No school is to receive assistance, however, unless a majority of the members of its school council have indicated their accord with the plan. The local educational agency, however, has the right to alter these school site plans as necessary to be consistent with contracts and formally adopted districtwide policies of the school district, and such alterations shall not be subject to approval by the school site council.

The Committee wishes to make clear its intention that when there is substantial dissent expressed by school council members about a school plan, the superintendent or his designee shall meet with the council to hear their concerns. When there is little or no dissent, and the local educational agency decides to fund a school's plan as submitted, there shall be no requirement for any additional accord by the school council.

The Committee also wishes to express its intention that the "formally adopted district-wide policies of the local educational agency" mean only those policies which are adopted after public hearings and open meetings. And, any decisions made by the local school board to alter school plans to be consistent with such policies must be submitted to the school site council for review.

The Committee bill permits a school district to use an alternative system for distributing funds among schools if there is a uniform distribution of poor children throughout the school district or if a school district is desegregating as determined under the Emergency School Aid Act. The Committee feels this flexibility is necessary in these situations because there would not be present the familiar pattern of a concentration of poor children, and so the basic scheme for allocating funds proposed under the Committee's bill would not make sense.

Program Requirements

Every school receiving planning assistance must establish a school site council, which has a sex, ethnic, and racial composition that reflects that of the school's student body. Every school designated for funds must use these funds to assist youths with the greatest need. These schools must also coordinate their activities with local prime sponsors and attempt to insure that students receiving assistance also receive employment and training opportunities under the Comprehensive Employment and Training Act. Each school would have its activities evaluated annually and any school failing to meet its goals in two consecutive years would be denied further funding.

Funds under this title are available for activities meeting the special educational and training needs of youths. Priority must be given to schoolwide activities to improve students' achievement in the basic skills, but other activities are also permitted.

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The Committee bill contains a list of authorized activities. However, this listing is not meant to be exclusive; it is merely illustrative. Among these activities is the provision of counseling. In this regard, the Committee wishes to emphasize that any counselors receiving assistance under this Act should have work experience outside the school setting so that they can provide students with the most realistic view of the work world.

Also, as regards the activities authorized under this title, the Committee anticipates that school districts, especially smaller ones, may want to combine their programs under this title in order to provide more efficient services. In addition, school districts may want to use intermediate educational or service units to provide services, and the Committee would encourage the use of these units where it is feasible and more efficient.

Vocational Education

The Committee bill provides for vocational education in one of two ways. In counties where eligible LEAs do not have vocational education schools outside of their jurisdiction and administrative control, the LEA would be required to spend at least 25 percent of its Title II funds on vocational education. In this case, LEAs would incorporate their planning for vocational education as part of their overall submittal to the State education agencies under section 213. However, the State board for vocational education will approve that portion of the overall application with respect to vocational education.

In counties where eligible LEAs have area schools not within their jurisdiction, an amount equaling 25 percent of the counties' total allotment will be directed to the State board for vocational education for joint agreements between those area schools and eligible LEAs within the county. Through a distinct agreement, this joint agreement would be made part of the LEA's general submittal to the State education agency and subject to the procedure of section 213. As in the first instance, LEAs are required in any event to spend at least 25 percent of their funds on vocational education, although any amount of funds made available pursuant to these agreements would be included in the 25-percent requirement. In addition, the Committee expects the joint plans to be flexible enough to allow changes necessary to negotiate the 22-percent set aside with CETA prime sponsors, without requiring a second approval by the State board for vocational education. These funds may be devoted toward the 22-percent requirement to the extent agreed on by the prime sponsor. The State board will provide procedures for dealing with counties which have more than one area school and/or more than one eligible LEA.

Private School Children

The Committee bill provides the same requirements for the participation of children enrolled in private non-profit schools in these programs as are presently required under Title I of the Elementary and Secondary Education Act. The Committee wishes to note that the report language regarding participation of children enrolled in private schools for Title I ESEA, contained in House Report 95–1137, also applies to this provision in this title.

Joint Programs

The Committee bill requires that 22 percent of the funds under this title are to be used for programs carried out pursuant to agreements

between local educational agencies and prime sponsors. The Secretaries of Education and Labor may, by joint regulations, require that this percentage of funds be increased by 3 percent for each fiscal year beginning after September 30, 1982. In the case of a school district and an independent area vocational school providing services under a agreement pursuant to Section 211(f), the funds spent under that plan could be counted to fulfill this requirement for joint programs.

Migrant Programs

In establishing programs for migratory youth under Title I, Part A, Subpart 1, sec. 423(a)(3); Title I, Part A, Subpart 2, sec. 448 (a)(1)(A)(ii); and Title II, Part B, sec. 221, the Committee strongly encourages coordination and cooperation with the efforts funded under Title I, Part B, Subpart 1, sec. 143 of the Elementary and Secondary Education Act.

State Supplemental Programs

Each State would have available to it 15 percent of the funds available under this title for grants to school districts in counties not qualifying under the basic grant formula contained in the bill. Independent area vocational schools would also be eligible to receive these grants. The same program requirements applicable to programs funded under the basic grants would be applicable to these programs.

Miscellaneous Provisions

The Committee bill requires State educational agencies to coordinate activities funded under this program with those being funded under the Comprehensive Employment and Training Act. States would also have to provide technical assistance, disseminate information, monitor programs and enforce requirements, and establish complaint procedures. One and one-half percent of the funds would be available to States for their administration of the program. These funds would be distributed to the States on the basis of their relative distribution of both basic grant and supplemental grant funds.

Programs in the Territories and Schools Operated by the BIA

With funds reserved under this section for schools operated by the BIA, it is the intent that the Secretary of the Interior provide services to schools in need that are in contract relationship with the BIA in addition to those operated by the BIA.

TITLE III

Authorization

The Committee bill provides an authorization of appropriations as follows: 1) Such sums as are necessary to be provided for carrying out Title IV–A of CETA for fiscal year 1981; 2) Fifty Million dollars for the planning activities and transition under Section 213 of Title II of this bill; and 3) For fiscal years 1982 through 1985, inclusive, such sums are authorized for Title I of this bill which are equal to the amount available for Title IV–A of CETA for fiscal 1980, with the excess to be divided equally between Titles I and II of this bill.

This funding mechanism is designed to assure that at least the level of funding for current CETA youth programs is maintained and that additional funds are evenly divided between the education and employment titles.

Forward Funding.—Based on evidence obtained during oversight and hearings on youth employment programs, the Committee strongly believes that forward funding of the youth programs under CETA is imperative. The fiscal uncertainties occasioned by single year appropriations translate into programmatic delays which seriously disrupt the effective delivery of services on the local level.

Furthermore, the preponderance of existing education programs, as well as those authorized under Title II of this bill, are forward funded. It is the Committee's considered opinion that in order to achieve consistent, meaningful cooperation between CETA and the education system, the funding cycles for both systems should be synchronized so that effective joint planning and coordination can occur at all levels without needless uncertainty and inconsistency.

Joint Agreements

To further strengthen the coordination between the CETA and Education programs under this bill, the Committee encourages the gradual increase of the percentage setaside for joint programs over the course of the Bill's authorization. The Committee believes that these percentage increases should be determined jointly by the Secretaries of Labor and Education and promulgated through the issuance of joint regulations.

Oversight

In compliance with clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations of the Committee on Government Operations were submitted to the committee.

The Subcommittee on Employment Opportunities conducted oversight on the problems associated with youth unemployment and the implementation of existing youth programs administered by the Department of Labor in hearings held on June 12 and 13 (jointly with the Subcommittee on Elementary, Secondary, and Vocational Education) and on June 20, 1979 and March 19, 1980. Evidence adduced at those hearings is summarized in the following paragraphs.

Youth unemployment has long been beyond the threshold of crisis, and all indications point to a worsening of the situation in the immediate future, particularly among minority and economically and educationally disadvantaged segments of the Nation's youth population.

Appreciable strides have been made in improving youth employment since the enactment of the Youth Employment and Demonstration Projects Act of 1977. Despite this success, the escalating crisis in youth unemployment necessitates that existing federal jobs and training programs for youth be expanded, improved, consolidated and better coordinated with related activities being carried out at all levels of government and in the private sector.

Evidence of the success of existing programs which encourage cooperative efforts between the CETA system, educational establishments, labor, business and variously community-based organizations which have been demonstrated effectiveness in assisting youth is compelling. Such cooperative efforts should be enhanced, improved and encouraged so that to the maximum extent possible, all resources and mechanisms available are brought to bear on the full scope of

the youth employment problem in a rationally coordinated manner.

Uncertainties as to the future availability of funds for CETA youth programs occasioned by single year appropriations has impeded the orderly and efficient delivery of services to youth at the program level. Forward-funding of these programs is imperative and has been allowed by the Committee in the authorization for several years.

A serious lack of dependable, up-to-date data exists with regard to the scope and demographics of youth unemployment and poverty, and also to a lesser degree, in relation to individual participant performance in existing CETA youth programs. It is the Committee's ardent hope that more accurate and reliable youth data will be developed by both the Bureau of the Census and the Department of Labor. Also, better methods for evaluating individual participant achievement should be formulated.

With regard to title II of the bill, this legislation is a result of the Subcommittee on Elementary, Secondary and Vocational Education's oversight of existing, related programs during its 5 days of oversight hearings on secondary education. In addition, both Subcommittees exercised oversight by compiling a volume of policy papers on the problems of youth unemployment.

Cost Estimate

The Congressional Budget Office has provided the following estimate on the costs which will be involved in implementing this legislation. The Committee concurs with CBO's estimate and adopts it in compliance with Clause 7 of Rule XIII. No cost estimates have been received from any Federal agencies or departments. The Congressional Budget Office letter follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 15, 1980.

Hon. Carl D. Perkins,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 6711, the Youth Act of 1980.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Robert D. Reischauer
(For Alice M. Rivlin, Director).

Congressional Budget Office—Cost Estimate

1. Bill number: H.R. 6711.
2. Bill title: Youth Act of 1980.
3. Bill status: As ordered reported by the House Committee on Education and Labor, May 6, 1980.
4. Bill purpose: The purposes of this bill are: (1) to extend for one year authorization for Title IV–A of the Comprehensive Employment and Training Act (CETA), (2) to amend and extend on a forward funded basis authorization for fiscal years 1982 through 1985 for the

youth employment programs, and (3) to establish a new youth education program authorized on a forward funded basis for fiscal years 1982 through 1985. This bill is subject to subsequent appropriation action.

5. Cost estimate.

Estimated authorization level:	
Fiscal year:	
1981	$3,700
1982	3,085
1983	3,358
1984	3,657
1985	------
Estimated outlays:	
Fiscal year:	
1981	844
1984	2,599
1983	3,060
1984	3,334
1985	3,232

The costs of this bill fall in budget function 500.

6. Basis of estimate: This bill provides for joint authorization of its two titles, the revised youth employment and training programs (Title I) and the new youth education programs (Title II). For fiscal year 1981, the bill authorizes $50 million in youth education planning grants, and such sums as may be necessary for the extension of current CETA Title IV-A programs. For fiscal years 1982 through 1985, there are authorized to be appropriated such sums as may be necessary for the two titles. This estimate assumes full appropriation of the estimated authorization amounts beginning in fiscal year 1981.

For the one year extension of the youth programs CBO has assumed the Administration's request of $825 million for fiscal year 1981. This is equal to the current year appropriation for the Title IV-A programs. Outlays are based on historical spendout rates for the current programs.

The CBO estimated authorization level for fiscal year 1982 is also identical to the Administration's request, $1,825 million for Title I $1,000 million for Title II. Since the bill permits forward funding of the new programs, the fiscal year 1981 authorization includes this funding for fiscal year 1982, for a total authorization level of $3,700 million in fiscal year 1981. The outyear authorization levels take into account CBO projected wage and education cost increases.

Although the estimated authorization levels appear sufficient to fund the current programs in fiscal year 1981 and the new programs in fiscal years 1982 through 1985, it should be realized that under the authorizing language stated in this bill the cost of the bill could potentially be much higher. For example, the pool of eligibles as defined in the current CETA IV-A includes all youth who are aged 16–21, and unemployed or underemployed or in school, and who meet certain income criteria. This is much larger than the number who are actually able to participate given the constraints of the present funding levels. A 100 percent participation rate would, therefore, require funding in excess of $7 billion. The revised Title IV-A target group includes all economically disadvantaged youth aged 16 to 19, and aged 20 to 21 if enrolled in high school or Graduate Equivalency Diploma programs. The estimated number of eligibles in this pool is approximately 3.5 million. A 100 percent participation rate would therefore, require

funding in excess of $10 billion for these new programs. This does not take into consideration the potential costs associated with Title II of this bill. Should school districts receive all the funds for which they are eligible under the new education programs the costs of this bill could be increased even further.

The fiscal years 1982 through 1985 are forward funded in fiscal years 1981 through 1984 respectively. Outlays reflect the spending pattern of forward funded programs, 10 percent in the first year, 70 percent the second year, and the remainder in the third.

7. Estimate comparison: None.
8. Previous CBO estimate: None
9. Estimate prepared by: Gabrielle d'Amato.
10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

INFLATIONARY IMPACT

This bill represents a truly bipartisan attempt by the majority and minority on the Committee to anticipate the increasing distortion in the underlying causes of unemployment of youth throughout the Nation. The bill addresses the strengthening of the instruction both of basic educational skills while the disadvantaged are in school and of the employability skills when they enter the labor market.

In his January Budget request the President stated that Federal employment, training, and education programs reduce structural unemployment and make it possible to achieve employment goals with less inflationary impact. Accordingly the Committee is of the opinion that H.R. 6711 should be classified as legislation directed to promote productivity which is an essential component in any successful effort to reduce and contain the rate of inflation.

SECTION-BY-SECTION ANALYSIS OF H.R. 6711

TITLE I—YOUTH TRAINING AND EMPLOYMENT

Section 101

This section extends and revises Part A of Title IV of CETA as follows:

Section 401—Statement of purpose

Section 401 states that the purpose of this title is to provide a broad range of employment and training opportunities for youth to improve their future employability, and to promote coordination among institutions providing such opportunities.

Part A—Youth Employment and Training

Section 411—Purpose of Part A

This section indicates that the purpose of this part is to provide employment experience, skill training, and remedial programs designed to improve the long-term employability of disadvantaged and hard-to-employ youth, emphasizing collaborative agreements, where feasible, among local institutions capable of providing needed services.

Section 412—Achievement standards and records

This section provides for the development of achievement standards to serve as performance indicators for participants, based on input from a broad range of sources in the community. It also requires individual achievement records for each participating youth.

Section 413—Participant assessment

Section 413 establishes that a personalized employability plan is to be developed for each participant which shall be reviewed periodically throughout the duration of participation.

Section 414—Eligible participants

This section defines an eligible youth as one who is economically disadvantaged and aged 16 to 19, inclusive, or aged 20 or 21 if enrolled in high school or in a program leading to a certificate of high school equivalency. It extends eligibility only for purposes of counseling and related services to economically disadvantaged youth aged 14 and 15. Also, it provides that 20% of the funds available for subpart 1 of Part A may be used for youth encountering special barriers to employment who would otherwise be eligible except for income criteria.

Also included in the definition of eligible youth are participants in programs authorized under subpart 4 of Part A of Title IV of the Higher Education Act of 1965 (i.e., programs for students from disadvantaged backgrounds).

Section 415—Eligible applicants

This section provides that eligible applicants are prime sponsors, sponsors of Native American programs, and sponsors of migrant and seasonal farmworkers programs, as qualified under CETA.

Section 416—Special rules

Section 416 authorizes the Secretary to prescribe special rules and regulations for Native American and migrant and seasonal farmworker programs under Part A as required to meet special circumstances in the operation of such programs.

Subpart 1—Basic Grants for Youth Employment and Training Programs

Section 421—Purpose of subpart 1

This subpart establishes programs designed to make a significant long-term impact on the structural unemployment problems of youth and to enhance the job and career prospects of young persons through the provision of interrelated employment, training, and educational opportunities.

Section 422—Programs authorized

The section authorizes the Secretary to provide a broad range of work experience and employability development opportunities and supportive and followup services to eligible youths to promote transition to unsubsidized employment.

Section 423—Allocations

Subsection (a) provides that:

(1) 5 percent of the amount available for subpart 1 shall be allocated by formula to Governors for special statewide services;

(2) Not less than 3 percent of the amount available for subpart 1 shall be made available for Native American programs;

(3) Not less than 3 percent of the amount available for subpart 1 shall be made available for migrant and seasonal farmworker programs; and

(4) The remainder of the funds available for subpart 1 shall be allocated to prime sponsors.

Subsection (b) provides that the amounts available for the purposes set forth in paragraphs (1) and (4) of subsection (a) shall be allocated among the States in the following manner:

(1) 37.5 percent according to the relative number of unemployed in each State compared to the total number of unemployed in all States;

(2) 37.5 percent according to the relative number of unemployed in areas of substantial unemployment in each State compared to the total number of unemployed in such areas in all States; and

(3) 25 percent according to the relative number of persons in families with incomes below the low-income level in each State compared to the total number of such persons in all States.

Subsection (c) states that the amount available to the Governor of each State shall be used under an approved statewide plan for such purposes as:

(1) providing financial assistance for youth under supervision of the State with consideration given youth under juvenile or criminal justice agency jurisdiction;

(2) providing labor market information;

(3) providing for the establishment of cooperative State and local efforts, including occupational and career guidance and counseling and placement services for in-school and out-of-school youth, and providing for coordination of activities carried out under the Career Education Incentive Act;

(4) providing financial assistance for expanded and experimental programs in apprenticeship trades, or development of new apprenticeship arrangements;

(5) carrying out special model employment and training programs and related services between State agencies and prime sponsors, with emphasis on experimental job training within the private sector; and

(6) carrying out cooperative efforts with postsecondary education institutes sponsoring projects under subpart 4 of Part A of Title IV of the Higher Education Act (i.e., programs for students from disadvantaged backgrounds).

Subsection (d) states that not less than 22 percent of the amount allocated to prime sponsors under subpart 1 of Part A may be used only for programs under this section carried out pursuant to cooperative agreements with local education agencies. Such agreements shall describe in detail the appropriate interrelated services to be provided to participants as well as the appropriate arrangements for alternative education services for those requiring such services. No funds under subsection (d) may be used until the prime sponsor has entered into agreement with each appropriate local education agency receiving assistance under Title II of the Youth Act of 1980 (as required by section 220(b) of that Act), unless the Secretary waives such agreement requirement on the basis of a good faith effort by the prime sponsor to reach agreement.

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Subsection (e) requires that special consideration be given to community-based organizations of demonstrated effectiveness in programs assisted by funds available to Governors for special statewide youth services.

Section 424—Conditions for receipt of financial assistance

Subsection (a) of this section requires that the Secretary shall not provide financial assistance to an eligible applicant unless it has provided a description of the program to be provided to eligible participants, has provided assurances of coordination with all appropriate agencies and organizations in the community, and has provided assurances that effective means will be utilized to enable participating youths to acquire job skills, education and training.

This subsection also requires assurances that the funds available shall be used to provide programs for youth who are eligible participants and that these programs shall be carried out pursuant to agreements between prime sponsors and local education agencies, which may include, among others, postsecondary educational institutes, trade schools or community colleges. Eligible applicants must also provide assurances of coordination with CETA Title II-D and Career Education Incentive Act programs, where feasible. Other assurances relating to language proficiency training, non-duplication, supportive services, job restructuring, etc. are also required.

Subsection (b) provides for establishing a youth council to make recommendations to the prime sponsor's planning council with respect to the planning and review of activities. Membership on such youth councils shall include the broadest representation possible of all parties in the community involved in serving youth, shall be representative of the ethnicity of the community, and shall be composed of not less than 25 percent youth.

Subsection (c) provides that no work experience program for in-school youth shall be entered into unless an agreement has been made between the prime sponsor and a local education agency(ies). Each agreement shall be administered, under contracts with the prime sponsor which have been reviewed by the youth council, by a local educational agency or a postsecondary educational institution. Certain addditional assurances are required to be set forth in the agreement.

Subpart 2—Youth Incentive Entitlement and Supplemental Work Projects

Section 431—Purpose of Subpart 2

The goal of this subpart is to establish programs of part-time and full-time employment and/or other compensated activities for economically disadvantaged youth in selected poverty areas using funds under subpart 1 to pay for one-half of the cost of such employment, with the remaining cost coming from funds available under this subpart.

Section 431 also provides for a number of appropriate compensated activities outside of the regular course of study designed to improve employability potential and encourage school completion. The appropriate compensated activities for individual participants are to be determined by school guidance counselors.

Section 432—Entitlement program authorized

This section provides that the Secretary shall enter into arrangements with prime sponsors for the purposes of providing: (1) part-time

(and full-time during summer months) entitlement activities for youth from selected poverty areas who resume or maintain attendance in secondary schools for the purpose of acquiring a high school diploma or the equivalent thereof; and (2) otherwise unavailable full-time employment for economically disadvantaged youth aged 16–21, inclusive, from selected poverty areas, who have such a diploma or certificate.

The Secretary shall make available tentative advance allocations to eligible applicants for the purpose of carrying out this subpart, based on the most recent reliable data available.

Each eligible applicant whose application has been approved shall be eligible to receive one-half of the costs associated with providing such employment.

The term "poverty area" means any Bureau of the Census geographical division in which 20 percent or more of the residents are at or below the poverty level, as determined on the basis of poverty criteria used by the Bureau of the Census. "Selected poverty area" means any portion or all of such a poverty area.

Section 433—Extent of entitlement activities

This section states that entitlement activities provided under this subpart shall take the form of any one of the following, or any combination thereof:

(1) Part-time employment and/or training provided by a broad range of institutions during the school year, not to exceed an average of 20 hours per week for each youth employed, and to last not less than 6 nor more than 9 months;

(2) Full-time employment and/or training during the summer months not to exceed 40 hours per week for each participant and not to last less than 8 weeks; and

(3) Full-time employment for youth described in section 432(a)(2) in critical national priority projects such as energy conservation, economic development, or housing rehabilitation, etc.

Section 434—Applications and Secretarial review

This section states that: any prime sponsor desiring to receive assistance under subpart 2 of Part A shall submit to the Secretary an application which shall provide:

(1) A description of the procedure to be utilized to publicize, consider, approve, audit and monitor youth incentive entitlement projects or jobs;

(2) A description of the area (within or congruent with the poverty area served by the prime sponsor) selected for purposes of programs;

(3) A statement of the estimated number of youth to be served;

(4) Assurances of provision of funds from subpart 1 to cover one-half the costs associated with employment under this subpart;

(5) Assurances that the provision of sections 442 and 443 are met relating to wage provisions and special conditions;

(6) Assurances that the prime sponsor has consulted with public and private nonprofit educational agencies as well as community based organizations, private industry councils, labor organizations and others in the development of the plan and assurances that arrangements are made with appropriate groups to assist the prime sponsor in carrying out the purposes of this subpart;

(7) Assurances that arrangements are made with the State employment security agencies to carry out the purposes of this subpart;

(8) An agreement that funds available under title II and funds available for summer youth programs under part C of this title will be used in support of the projects authorized under this subpart;

(9) Assurances that participating in-school youth shall not be employed more than an average of 20 hours per week during the school year and not more than 40 hours per week during the summer;

(10) Training not paid in full or in part by the prime sponsor under any other program authorized under this act, may be paid in accordance with the provisions of section 14(b) of the Fair Labor Standards Act of 1938, with the balance being applied to the cost of training;

(11) Assurances that arrangements have been made with the appropriate agency or institution offering a high school equivalency program that such youth is enrolled and meeting the minimum academic and attendance requirements and that youth meet the minimum work and attendance requirements of employment;

(12) Assurances that special efforts will be made to recruit youth from families receiving public assistance;

(13) Assurances that subsidies to private employers will not exceed the net cost of the wages paid and training provided;

(14) Assurances that the prime sponsor will comply with reporting requirements.

Additionally, as a prerequisite to plan approval, a prime sponsor must have:

(1) demonstrated sufficient administrative capacity and resources to operate an entitlement program;

(2) selected a poverty area of appropriate size in the context of available funds;

(3) developed an agreement with the appropriate local educational agency(ies) concerning procedures for such activities as qualifying counselors, developing individual employability and education plans, etc.

If the Secretary determines that the amount of monies available is insufficient to carry out the purpose of this subpart he may:

(1) direct each prime sponsor to amend its application reducing the amount requested (by reducing the size of the selected poverty area).

(2) or withdraw the approval of all applications and approve only the number for which sufficient funds are available, based on additional criteria of merit and need prescribed by the Secretary.

Section 434 also directs that equitable consideration in the distribution of funds be given to prime sponsors in rural poverty areas.

Section 435—Special provisions

Entitlement activities under this subpart shall develop the participant's role as a meaningful member of the community and may include employment and training in such fields as social services-health care, conservation and neighborhood improvement.

No funds for employment under this subpart shall be used to provip' public services which were previously provided by a political suəb division or local education ag ncy in the area served by the project.

Subsection (b) of section 101 of H.R. 6711 redesignated subpart 4 of Part A as subpart 3.

Section 441—Allocation

This section provides that of the sums available for Part A under section 2 of this Act for any fiscal year, not more than 10 percent shall be appropriated for the purpose of section 448. Of the remainder, 80 percent shall be available for purposes of subpart 1 of this Part and 20 percent shall be available for subpart 2 of this Part.

Section 448—Secretary's discretionary funds

This section authorizes the Secretary to:

(1) Provide supplemental funds to eligible applicants under subpart 1 and to prime sponsors under subpart 2 for the purpose of providing recognition for increased service to youth who have encountered special barriers to employment and to migrant and seasonal farmworker youth, and to provide additional allocations for areas experiencing significant increases in unemployment;

(2) To carry out innovative and experimental programs to test new approaches for dealing with the unemployment problems of youth and to promote especially worthy programs under subparts 1 and 2; and

(3) To provide an outreach program for juvenile offenders.

Under this section, the Secretary is directed to award grants to not less than 2 nor more than 5 prime sponsors to test the efficacy of a completion bonus in the entitlement program.

The Secretary shall consult with the Secretaries of Commerce, Education, Housing and Urban Development, Health and Human Services, and Agriculture, and the Directors of the ACTION Agency and the Community Services Administration in the development of experimental and innovative programs. Funds available under this section may be transferred to other Federal departments and agencies pursuant to agreements with the Secretary.

The Secretary and prime sponsors shall give special consideration in operating innovative programs to community-based organizations which have demonstrated effectiveness in the delivery of employment and training services and those which conduct career intern programs jointly with local educational agencies.

Section 102—Employment services for youth

This section amends the Wagner-Peyser Act by adding a new section 6 to that Act which provides as follows:

(a) that each State desiring to receive funds under this section shall submit to the Secretary a supplement to its required plans with such information and assurances as the Secretary may require by regulation;

(b) that supplements shall provide for the establishment of general employment services to youth which shall include—

(1) orientation to labor market conditions and requirements,

(2) referral to supportive services,

(3) promotion of targeted jobs tax credit and on-the-job training opportunities in the private sector, and

(4) placement activities;

(c) that supplements shall provide for the establishment of in-school service and assist youths to make a successful transition from school to work and shall include—

(1) dissemination of labor market information,

(2) development of job search skills,

(3) development and operation of automated data systems,

(4) vocational aptitude testing,

(5) matching funds for school counselor training and related services, and

(6) consultation of school systems with private employers in the development of curricula;

(d) that no payment in excess of 80 percent of the cost of the activities proposed in such supplement may be made;

(e) funds pursuant to subsection (f) shall be allocated among the States as follows—

(1) 50 percent for any fiscal year shall be allocated on the basis of individuals aged 16 to 21, inclusive, residing in each State,

(2) 25 percent shall be allocated on the basis of the average annual number of such individuals residing in each State aged 16 to 21 who are unemployed, and

(3) 25 percent shall be allocated on the basis of the number of such 16 to 21 year olds residing in each State who are economically disadvantaged;

(f) that there are authorized to be appropriated $50 million for fiscal year 1981 and such sums as are necessary for each fiscal year there-after to carry out the purposes of section 6 of the Wagner-Peyser Act, as amended; and

(g) that the term "economically disadvantaged" means a person whose total annual family income was not in excess of the higher of:

(1) the poverty level determined by the Director of OMB, or

(2) 70 percent of the lower living standard income level, for the purposes of this section.

Section 103—Report on Artificial Barriers to Employment

Section 105 mandates that the Secretary shall include in the annual report required by section 127 of CETA findings on progress made in implementation of the provisions of that Act concerning the elimination of artificial barriers to employment.

TITLE II—FINANCIAL ASSISTANCE TO MEET BASIC AND EMPLOYMENT SKILLS NEEDS OF SECONDARY SCHOOL YOUTH

Section 201

This section contains findings with respect to the high rate of unemployment among disadvantaged and minority youth. The section also announces that the purpose of the legislation is:

(1) to address that condition through a new program of aid to schools aimed at increasing the basic and employment skills of disadvantaged youth, and

(2) to promote a partnership among educators, employment and training officers and private sector employers.

Section 202

This section authorizes the Secretary of Education to make the payments allowed under this title during fiscal years 1981 through 1985.

Section 203

This section earmarks specified percentages of funds off the top of the total appropriations for the following purposes: State programs for special populations, State supplemental programs, State administration, national development and demonstration activities, and programs in the outlying areas and Bureau of Indian Affairs schools. The remainder of the appropriations is available for programs operated by local educational agencies.

Part A—Programs Operated by Local Educational Agencies

Section 211

This section provides that the eligibility of counties for grants shall be determined on the basis of high concentrations of low-income youth. The section also sets forth the formula for distributing available funds to Puerto Rico and among counties in States in proportion to their excess numbers of low-income youth above certain threshhold levels, multiplied by specific per pupil expenditure figures. The State educational agency is required to distribute the county allotments among eligible local educational agencies (LEA) within the county based on the concentration of low-income youth in each LEA.

This section also requires LEAs that desire to participate in the program to file three-year applications with the State educational agency (SEA) and sets eligibility threshholds of low-income youth for LEAs.

In addition, this section requires that in any eligible county which contains area vocational schools that are not under the administrative control or supervision of LEAs, 25 percent of the total of that county's allotment shall be paid to the State board for vocational education. The State board shall use these funds for grants to LEAs and to such area vocational schools if such LEAs and schools apply jointly to administer a joint agreement for youths eligible under Title II of this bill or under Title IV of the Comprehensive Employment and Training Act.

Section 212

This section defines schools eligible to receive assistance on the basis of the ages of youth they serve and their numbers or percentages of low-income or low-achieveing youth. The section requires an LEA to rank its eligible schools on the basis of concentrations of such youth.

Section 213

This section requires schools wishing to receive assistance to develop a three-year plan describing the manner in which the school intends to use the funds. Such plans must be received and commented upon by the school site council.

This section also describes how an LEA would use its grants from the first fiscal year's appropriation for planning assistance to designated schools, selected in accordance with the ranking in section 212. Planning assistance may be used for in-service training.

Section 214

This section requires LEAs to allocate funds to designated schools on the basis of the ranking in section 212 and on the basis of the quality of the plans. Minimum grant provisions for each school are also required. The section also permits LEAs which meet certain uniform distribution of poverty criteria or which are engaged in certain desegregation activities to request the SEA to approve an alternative allocation proposal.

Section 215

This section requires schools receiving planning assistance to establish a school site council to advise in the development of the plan.

This section also requires schools to focus on those students with the greatest need and to coordinate programs with other existing training programs and facilities, and requires LEAs to annually evaluate each school's progress.

In addition, this section lists the types of activities that can be funded.

Section 216

This section requires each LEA to use at least 25 percent of its grant for vocational education programs and charges the State board for vocational education with approving that portion of the LEA's application regarding the use of these funds.

Section 217

This section requires schools to consult with appropriate Federally-mandated local advisory councils in carrying out planning activities. It also requires LEAs to consult with appropriate Federal district level councils on the implementation and operation of its programs under this title.

Section 218

This section contains provisions to ensure that the LEA maintains overall fiscal effort and that the schools funded under this title receive regular non-Federal and special Federal, State and local funds in amounts equivalent to those received by similar schools not participating in the Part A program.

Section 219

This section requires LEAs to provide services for youth enrolled in private schools.

Section 220

This section requires each LEA to set aside a minimum amount of funds for joint programs with prime sponsors. Such funds shall be used to carry out joint agreements between LEAs and prime sponsors to provide educational, employment and training programs for youth eligible under this title or Title IV–A of CETA.

Part B—Programs Operated by State Agencies

Section 221

This section authorizes grants to SEAs, based on their relative numbers of migrant and institutionalized neglected and delinquent youth and youth in adult correctional institutions, to conduct programs to improve the basic and employment skills of these youth.

Section 222

This section contains the requirements that a State program must satisfy in order to receive funds for special populations.

Section 231

This section authorizes grants to SEAs, based on their relative numbers of low-income youth, for programs in designated schools that are located in LEAs which do not receive assistance under part A. The section provides that these funds shall flow through LEAs and that area vocational schools that are not under the administrative control or supervision of LEAs shall be treated as an LEA.

Section 232

This section contains the requirements that an SEA must satisfy in order to receive funds for this State supplemental program.

Part C—General Provisions

Section 251

This section charges SEAs with:

(1) coordinating activities funded under this title with employment and training activities conducted in the State;

(2) providing technical assistance to LEAs and State agencies; and

(3) disseminating information, including information on occupational demand and supply, to such agencies.

This section also charges SEAs with monitoring and enforcing compliance by LEAs with this title, in coordination with its monitoring and enforcement activities under Title I of the ESEA. Local educational agencies are also made responsible for resolving complaints from concerned parties. The Secretary of Education is charged with resolving appeals and conducting on-site investigations.

Section 252

This section authorizes the Secretary to make payments to SEAs for State administration. State educational agencies shall share these funds with State boards of vocational education in States where they are not synonomous.

Section 253

This section charges the Secretary of Labor and the Secretary of Education with developing a common data and reporting system for this title and Title IV–A of CETA, using the National Occupational Information Coordinating Committee. This section also requires the Secretary to obtain from the Bureau of the Census data on youth aged 11 to 17 and to analyze such data for allocation purposes.

Section 254

This section authorizes the Secretary of Education to make grants to public and private nonprofit agencies, organizations, and institutions for development and demonstration activities.

Section 255

This section authorizes the Secretary to make payments to the outlying areas and to the Secretary of the Interior for programs for Indian youth.

Section 256

This section defines the terms used in Title II.

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TITLE III

Section 301

Subsection (a) of this section authorizes to be appropriated such sums as may be necessary to carry out Part A of Title IV of CETA for fiscal year 1981. Subsection (a) also authorizes for appropriation for fiscal year 1981 $50,000,000 for purposes of planning and inservice training under section 203(c) of this Act, in order to facilitate orderly and efficient transition to the new activities provided for in Title II in subsequent years.

For fiscal years 1982 through 1985, inclusive, subsection (a) authorizes appropriations to carry out Part A of Title IV of CETA (as amended by Title I of this Act) equal to the sum of:

(1) An amount equal to that available for Part A of Title IV of CETA for fiscal year 1980, or the total amount appropriated for purposes of this Act for the fiscal year in question, whichever is less; plus

(2) One-half of any amount appropriated for purposes of this Act for the fiscal year in question which is in excess of the amount available for Part A of Title IV of CETA in fiscal year 1980. The remaining one-half of any amount appropriated for any such subsequent fiscal year in excess of the amount available for part A of Title IV of CETA for fiscal year 1980 shall be available to carry out Title II of this Act.

Subsection (b) provides that appropriations under subsection (a) are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

Section 302

This section authorizes the Secretaries of Education and Labor to require, by joint regulation, that 3% more a year for each fiscal year after fiscal 1982 be used for joint programs described in section 423(d) of CETA and section 220 of this Act.

Section 303

This section contains the effective date for this legislation.

CHANGES IN EXISTING LAW

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

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TITLE IV—YOUTH PROGRAMS

[STATEMENT OF PURPOSE

[SEC. 401. It is the purpose of this title to provide a broad range of coordinated employment and training programs for eligible youth in order to provide effectively for comprehensive employment and training services to improve their future employability and to explore and experiment with alternative methods for accomplishing such purposes.

[DEFINITIONS

[SEC. 402. (a) For purposes of parts B and C, the term "eligible youth" means an economically disadvantaged youth who is (1) either unemployed, underemployed, or in school, and (2) either age 16 to 21 inclusive, or if authorized under regulations of the Secretary, age 14 to 15 inclusive. Nothing in this section shall be construed to prohibit the provision of day care for the children of eligible youths.

[(b) For the purposes of subpart 1 of part A, the term "eligible youth" means a youth between the ages of 16 and 19 inclusive, the income of whose family is at or below the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget.]

STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to provide a broad range of coordinated employment and training programs for eligible youth in order to provide effectively for comprehensive employment and

training services, to improve their opportunities for future employability and increased earnings; to increase youth employability by promoting mastery of basic skills, employability skills, and employment skills; to promote a partnership among employment and training officials, educators, and private sector employers that effectively links education, training, and work experience for disadvantaged youth.

[PART A—YOUTH EMPLOYMENT DEMONSTRATION PROGRAMS

[STATEMENT OF PURPOSE

[SEC. 411. It is the purpose of this part to establish a variety of employment, training, and demonstration programs to explore methods of dealing with the structural unemployment problems of the Nation's youth. The basic purpose of the demonstration programs shall be to test the relative efficacy of different ways of dealing with these problems in different local contexts, but this basic purpose shall not preclude the funding of programs dealing with the immediate difficulties faced by youths who are in need of, and unable to find jobs. It is explicitly not the purpose of this part to provide make-work opportunities for unemployed youth; instead, it is the purpose to provide youth, and particularly economically disadvantaged youth, with opportunities to learn and earn that will lead to meaningful employment or self-employment opportunities after they have completed the program.]

PART A—YOUTH EMPLOYMENT AND TRAINING

PURPOSE OF PART A

SEC. 411. It is the purpose of this part to provide, through a system of basic and incentive grants, for federally funded employment experience, skill training, and remedial programs designed to improve long-term employability of disadvantaged youth and other youth with substantial difficulties in obtaining and retaining employment. These programs may include such combinations of work experience, skill training, remedial education, counseling, and supportive and followup services as may be determined to be required after assessment of the needs of the individual. The programs shall be operated to the extent feasible on the basis of collaborative arrangements between prime sponsors and the employment, training, and educational institutions serving youth at the local level and shall be administered in such a way as to make for the maximum involvement of educational agencies, community-based organizations, labor-market intermediaries, labor organizations, and private for-profit organizations, all with the end purpose of preparing eligible youth for long-term, stable, unsubsidized employment.

ACHIEVEMENT STANDARDS AND RECORDS

SEC. 412. (a) Each prime sponsor receiving funds under this part shall obtain recommendations from the youth council, prime sponsor's planning council, private industry council, educational agencies, relevant juvenile and criminal justice agencies, business, labor

organizations, community-based organizations, and other community organizations in the development of achievement standards to serve as indicators, accepted in the community, of youth achievements needed to obtain and retain unsubsidized jobs in the private sector.

(b) Each prime sponsor receiving funds under this part shall establish and maintain an individual achievement record for each participating youth as a continuing record to document that youth's needs and competencies, including skills, education, employment, and training obtained by that youth. Such record shall be maintained and periodically updated during the entire period of the youth's participation in the program, and shall, to the maximum extent feasible be coordinated with any school attended by the youth. Such record shall be confidential and information contained therein shall be available only to persons who require it as part of their responsibilities in operating, administering, or evaluating programs under this part, except that information may be shared with employers, educators, and others upon the specific authorization of the participant.

PARTICIPANT ASSESSMENT

SEC. 413. (a) In order to assess the appropriate mixture of training or employment services, or both, needed by each youth receiving assistance under this part, each prime sponsor receiving assistance under this part shall, in consultation with educational and other appropriate agencies, formulate, with each such youth at the time of entrance into the program, a personalized employability plan designed to lead such youth to unsubsidized employment. In establishing such plan, each prime sponsor shall take into consideration a youth's skills, interests, and career objectives, subject to the availability of services, and shall consider the barriers to employment or advancement faced by that youth in order to assist that youth to attain unsubsidized employment.

(b) At any time a youth begins to receive education, training, or supportive services partly or wholly assisted under this part, the prime sponsor shall assess the appropriateness of such employment, training, or services. For youth that are attending high school or enrolled in a program which leads to a certificate of high school equivalency, such assessment shall be jointly made by the prime sponsor and the appropriate official of that school or educational program. The assessment shall be periodically reviewed by the prime sponsor, or jointly by the prime sponsor and the appropriate school official, as the case may be, and included in each youth's employability plan.

ELIGIBLE PARTICIPANT

SEC. 414. (a) Except as provided in subsection (b) or (c), for purposes of this part the term "eligible youth" means a youth who is—

(1) economically disadvantaged; and

(2)(A) aged 16 to 19, inclusive;

(B) if enrolled high school or in a program which leads to a certificate of high school equivalency, aged 20 or 21, or

(C) with respect only to counseling, occupational information, and school-to-work transition services, aged 14 or 15.

(b) Notwithstanding subsection (a), 20 percent of the funds available for subpart 1 of this part may be used for youth (as described in paragraph (2) of such subsection) who are not economically disadvantaged as required by paragraph (1) of such subsection, but who have encountered special barriers to employment, such as language barriers, physical handicap, pregnancy or maternity, alcohol or drug abuse, supervision by State or other authorities, or supervision by and jurisdiction of the juvenile or criminal justice system, or who are participants in a program authorized under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.) or who are youth of migrant or seasonal farmworker families.

(c) Notwithstanding subsection (a), any participant in any program authorized under subpart 4 of part A of title IV of the Higher Education Act of 1965 (relating to programs for students from disadvantaged backgrounds) shall be an eligible youth for purposes of this part.

ELIGIBLE APPLICANTS

SEC. 415. Eligible applicants for purposes of this part are prime sponsors qualified under section 101, sponsors of Native American programs qualified under section 302(c)(1), and sponsors of migrant and seasonal farmworker programs qualified under section 303.

SPECIAL RULES

SEC. 416. The Secretary shall prescribe such rules and regulations to govern Native American and migrant and seasonal farmworker programs under this part as may be required to meet special circumstances in the conduct of such programs.

[Subpart 1—Youth Incentive Entitlement Pilot Projects

[ENTITLEMENT PILOT PROJECTS AUTHORIZED

[SEC. 416. (a) The Secretary shall enter into arrangements with prime sponsors selected in accordance with the provisions of this subpart for the purpose of demonstrating the efficacy of guaranteeing otherwise unavailable part-time employment, or combination of part-time employment and training, for economically disadvantaged youth between the ages of 16 and 19, inclusive, during the school year who resume or maintain attendance in secondary school for the purpose of acquiring a high school diploma or in a program which leads to a certificate of high school equivalency and full-time employment or part-time employment and training during the summer months to each such youth.

[(b) Each prime sponsor who applies for and is selected by the Secretary to carry out a pilot project under this subpart shall guarantee the employment described in subsection (a) to each such unemployed youth described in subsection (a) who resides within the area or a designated part thereof served by the prime sponsor and who applies to that prime sponsor for employment. The Secretary shall provide to each prime sponsor, from funds appropriated for

carrying out this subpart, in combination with any funds made available by such prime sponsor according to an agreement made pursuant to section 418(a)(4)(F), the amount to which that prime sponsor is entitled under subsection (c).

[(c) Each prime sponsor shall be entitled to receive, for each youth who is provided employment by that prime sponsor, the costs associated with providing such employment. Such costs shall take into account funds made available by such prime sponsor under section 418(a)(4)(F).

[EMPLOYMENT GUARANTEES

[SEC. 417. Employment opportunities guaranteed under this subpart shall take the form of any one of the following or any combination thereof:

[(1) Part-time employment or training or combination thereof during the school year, not to exceed an average of 20 hours per week for each youth employed, and not to last less than 6 months nor more than 9, on projects operated by community-based organizations of demonstrated effectiveness which have a knowledge of the needs of disadvantaged youth; local educational agencies; institutions of higher education; nonprofit private organizations or institutions engaged in public service; nonprofit voluntary youth organizations; nonprofit private associations, such as labor organizations, educational associations, business, cultural, or other private associations; units of general local government; or special purpose political subdivisions either having the power to levy taxes and spend funds or serving such special purpose in 2 or more units of general local government.

[(2) Part-time employment on an individual basis in any of the institutions and under the same conditions provided for in clause (1).

[(3) Part-time employment on either a project or individual basis in any of the institutions and under the same conditions as provided in clause (1) which includes as part of the employment on-the-job or apprenticeship training.

[(4) Full-time employment during the summer months, not to exceed 40 hours per week for each youth employed, and not to last less than 8 weeks in any of the institutions described in clause (1).

[SELECTING PRIME SPONSORS

[SEC. 418. (a) In selecting prime sponsors to operate youth incentive entitlement projects, the Secretary shall—

[(1) select prime sponsors from areas with differing socioeconomic and regional circumstances such as differing unemployment rates, school dropout rates, urban and rural variations, size, and other such factors designed to test the efficacy of a youth job entitlement in a variety of differing locations and circumstances;

[(2) take into consideration the extent to which the prime sponsors devote funds made available under title II and part C

of this title for the purpose of carrying out a youth incentive entitlement project or for supportive services;

[(3) take into consideration the extent to which new and different classifications, occupations, or restructured jobs are created for youth;

[(4) select only prime sponsors which submit proposals which include—

[(A) a description of the procedure to be utilized by the prime sponsor to publicize, consider, approve, audit, and monitor youth incentive projects or jobs funded by the prime sponsor under this part, including copies of proposed application materials, as well as examples of audit and client characteristics reports;

[(B) a statement of the estimated number of economically disadvantaged youth to be served by the prime sponsor, and assurances that only such disadvantaged youth will be served;

[(C) assurances that the provisions of sections 442 and 443 are met relating to wage provisions and special conditions;

[(D) assurances that the prime sponsor has consulted with public and private nonprofit educational agencies including vocational and postsecondary education institutions and other agencies which offer high school equivalency programs; public employers, including law enforcement and judicial agencies; State and local public assistance agencies; labor organizations; voluntary youth groups; community-based organizations; organizations of demonstrated effectiveness with a special knowledge of the needs of such disadvantaged youth; and with the private sector in the development of the plan, and assurances that arrangements are made with appropriate groups to assist the prime sponsor in carrying out the purposes of this subpart;

[(E) assurances that arrangements are made with the State employment security agencies to carry out the purposes of this subpart;

[(F) an agreement that funds available under title II for economically disadvantaged youth employment programs and funds available for the summer youth program under part C of this title for youth eligible under subsection (a) will be used in support of the project authorized under this subpart;

[(G) assurances that the employment of eligible youth meets the requirements of eligible activities under section 419;

[(H) assurances that participating youth shall not be employed more than an average of 20 hours per week during the school year and not more than 40 hours per week during the summer;

[(I) assurances that a participating youth is not a relative of any person with responsibility for hiring a person to fill that job;

[(J) assurances that whenever employment involves additional on-the-job, institutional, or apprenticeship training

provided by the employer, and if such training is not paid for in full or in part by the prime sponsor under any other program authorized under this Act, wages may be paid in accordance with the provisions of subsection (b) of section 14 of the Fair Labor Standards Act of 1938, and with the balance being applied to the cost of training;

[(K) assurances that arrangements have been made with the appropriate local education agency or with the institution offering a certified high school equivalency program that such youth is enrolled and meeting the minimum academic and attendance requirements of that school or education program and with employers that such youth meet the minimum work and attendance requirements of such employment and that any employment guarantee is conditioned on such enrollment;

[(L) assurances that special efforts will be made to recruit youth from families receiving public assistance, including parents of dependent children who meet the age requirement of this subpart; and

[(M) assurances that the prime sponsor will make available the data necessary for the Secretary to prepare the reports required by section 420.

[(b) In approving a prime sponsor to operate a youth incentive entitlement pilot project under this subpart the Secretary may also test the efficacy of any such project involving—

[(1) the use of a variety of subsidies to private for-profit employers, notwithstanding the provisions of sections 417 and 419(a), to encourage such employers to provide employment and training opportunities under this subpart, but no such subsidy shall exceed the net cost to the employer of the wages paid and training provided;

[(2) arrangements with unions to enable youth to enter into apprenticeship training as part of the employment provided under this subpart;

[(3) a variety of administrative mechanisms to facilitate the employment of youths under an entitlement arrangement;

[(4) the inclusion of economically disadvantaged youths between the ages of 19 and 25 who have not received their high school diploma;

[(5) the inclusion of occupational and career counseling, outreach, career, exploration, and on-the-job training and apprenticeship as part of the employment entitlement; and

[(6) the inclusion of youth under the jurisdiction of the juvenile or criminal justice system with the approval of the appropriate authorities.

[SPECIAL PROVISIONS

[SEC. 419. (a) Employment and training under this subpart shall develop the participant's role as a meaningful member of the community, and may include employment and training in such fields as environmental quality, health care, education, self-employment, social services, public safety, crime prevention and control, transportation, recreation, neighborhood improvement, rural develop-

ment, conservation, beautification, and community improvement projects.

[(b) No funds for employment under this subpart shall be used to provide public services through a nonprofit organization, association, or institution, or a nonprofit private institution of higher education or any other applicant, which were previously provided by a political subdivision or local educational agency in the area served by the project of where the employment and training takes place, and no funds will be used under this subpart to provide such services through such an organization or institution which are customarily provided only by a political subdivision or local educational agency in the area served by such project or where the employment and trainir g takes place.

[REPORTS

[SEC. 420. The Secretary shall report to the Congress not later than March 15, 1979, on his interim findings on the efficacy of a youth incentive entitlement. The Secretary shall submit another report not later than December 31, 1979, concerning the youth incentive entitlement projects authorized under this subpart. Included in such reports shall be findings with respect to—

[(1) the number of youths enrolled at the time of the report;

[(2) the cost of providing employment opportunities to such youths;

[(3) the degree to which such employment opportunities have caused out-of-school youths to return to school or others to remain in school;

[(4) the number of youths provided employment in relation to the total which might have been eligible;

[(5) the kinds of jobs provided such youths and a description of the employers—public and private—providing such employment;

[(6) the degree to which on-the-job or apprenticeship training has been offered as part of the employment;

[(7) the estimated cost of such a program if it were to be extended to all areas;

[(8) the effect such employment opportunities have had on reducing youth unemployment in the areas of the prime sponsors operating a project; and

[(9) the impact of job opportunities provided under the project on other job opportunities for youths in the area.

[Subpart 2—Youth Community Conservation and Improvement Projects

[STATEMENT OF PURPOSE

[SEC. 421. It is the purpose of this subpart to establish a program of community conservation and improvement projects to provide employment, work experience, skill training, and opportunities for community service to eligible youths, for a period not to exceed 12 months, supplementary to but not replacing opportunities available under title II.

[DEFINITIONS

[SEC. 422. As used in this subpart, the term—

[(1) "eligible applicant" means any prime sponsor qualified under section 101 of this Act, sponsors of Native American programs qualified under section 302(c)(1) of this Act, and sponsors of migrant and seasonal farmworkers programs qualified under section 303 of this Act;

[(2) "project applicant" shall have the same meaning as in section 3(20) of this Act;

[(3) "eligible youths" means individuals who are unemployed and, at the time of entering employment under this subpart, are ages sixteen to nineteen, inclusive; and

[(4) "community improvement projects" means projects providing work which would not otherwise be carried out, including, but not limited to, the rehabilitation or improvement of public facilities; neighborhood improvements; weatherization and basic repairs to low-income housing; energy conservation including solar energy techniques, especially those utilizing materials, and supplies available without cost; removal of architectural barriers to access, by handicapped persons, to public facilities; and conservation, maintenance, or restoration of natural resources on publicly held lands other than Federal lands.

[ALLOCATION OF FUNDS

[SEC. 423. (a) Funds available to carry out this subpart for any fiscal year shall be allocated in such a manner that not less than 75 percent of such funds shall be allocated among the States on the basis of the relative number of unemployed persons within each State as compared to all States, except that not less than one-half of 1 percent of such funds shall be allocated for projects under this subpart within any one State and not less than one-half of 1 percent of such funds shall be allocated in the aggregate for projects in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

[(b) Of the funds available for this subpart, 2 percent shall be available for projects for Native American eligible youths, and 2 percent shall be available for projects for eligible youths in migrant and seasonal farmworker families.

[(c) The remainder of the funds available for this subpart shall be allocated as the Secretary deems appropriate.

[COMMUNITY CONSERVATION AND IMPROVEMENT YOUTH EMPLOYMENT PROJECTS

[SEC. 424. The Secretary is authorized in accordance with the provisions of this subpart, to enter into agreements with eligible applicants to pay the costs of community conservation and improvement youth employment projects to be carried out by project applicants employing eligible youths and appropriate supervisory personnel.

[PROJECT APPLICATIONS

[SEC. 425. (a) Project applicants shall submit applications for funding of projects under this subpart to the appropriate eligible applicant.

[(b) In accordance with regulations prescribed by the Secretary, each project application shall—

[(1) provide a description of the work to be accomplished by the project, the jobs to be filled, and the approximate duration for which eligible youths would be assigned to such jobs;

[(2) describe the wages or salaries to be paid individuals employed in jobs assisted under this subpart;

[(3) set forth assurances that there will be an adequate number of supervisory personnnel on the project and that the supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating eligible youths in skills needed to carry out the project;

[(4) set forth assurances that any income generated by the project will be applied toward the cost of the project;

[(5) set forth assurances for acquiring such space, supplies, materials, and equipment as necessary, including reasonable payment for the purchase or rental thereof;

[(6) set forth assurances that, to the maximum extent feasible, projects carried out under this subpart shall be labor intensive; and

[(7) set forth such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this subpart.

[PROPOSED AGREEMENTS

[SEC. 426. (a)(1) Each eligible applicant desiring funds under this subpart shall submit a proposed agreement to the Secretary, together with all project applications approved by the eligible applicant and all project applications approved by any program agent within the area served by the eligible applicant. With its transmittal of the proposed agreement, the eligible applicant shall provide descriptions of the project applications approved by the eligible applicant and by any program agent within the area served by the eligible applicant, accompanied by the recommendations of the eligible applicant concerning the relative priority attached to each project.

[(2) The functions of a program agent shall be as set forth in section 606(b)(2) of this Act.

[(b) The proposed agreement submitted by any eligible applicant shall—

[(1) describe the method of recruiting eligible youths, including a description of how such recruitment will be coordinated with plans under other provisions of this Act, including arrangements required by section 105, of this Act, and also including a description of arrangements with school systems, the public employment service (including school cooperative programs), the courts of jurisdiction for status and youthful offenders, and a description of arrangements with public assistance agencies on the employment of youth from families re-

ceiving public assistance, including parents of dependent children;

[(2) provide a description of job training and skill development opportunities that will be made available to participating eligible youths, as well as a description of plans to coordinate the training and work experience with school-related programs, including the awarding of academic credit; and

[(3) set forth such other assurances as the Secretary may require to carry out the purposes of this subpart.

[(c)(1) In order for a project application submitted by a project applicant to be submitted to the Secretary by any eligible applicant, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 109 (or an appropriate planning organization in the case of sponsors of Native American programs under section 302 of this Act or migrant and seasonal farmworker programs under section 303 of this Act) for the purpose of affording such council (and the youth council established under section 436) an opportunity to submit comments and recommendations with respect to that application to the eligible applicant. No member of any council (or organization) shall cast a vote on any matter in connection with a project in which that member, or any organization with which that member is associated, has a direct interest.

[(2) Consistent with procedures established by the eligible applicant in accordance with regulations which the Secretary shall prescribe, the eligible applicant shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the appropriate council (or organization) and unless it has provided such applicant and council (or organization) with a written statement of its reasons for such disapproval.

[APPROVAL OF AGREEMENTS

[SEC. 427. (a) The Secretary may approve or deny on an individual basis any of the project applications submitted with any opposed agreement.

[(b) No funds shall be made available to any eligible applicant except pursuant to an agreement entered into between the Secretary and the eligible applicant which provides assurances satisfactory to the Secretary that—

[(1) the standards set forth in subpart 4 will be satisfied;

[(2) projects will be conducted in such manner as to permit eligible youths employed in the project who are in school to coordinate their jobs with classroom instruction and, to the extent feasible, to permit such eligible youths to receive credit from the appropriate educational agency, postsecondary institution, or particular school involved; and

[(3) meet such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this subpart.

[WORK LIMITATION

[SEC. 428. No eligible youth shall be employed for more than twelve months in work financed under this subpart, except as prescribed by the Secretary.

[Subpart 3—Youth Employment and Training Programs

[STATEMENT OF PURPOSE

[SEC. 431. It is the purpose of this subpart to establish programs designed to make a significant long-term impact on the structural unemployment problems of youth, supplementary to but not replacing programs and activities availble under title II of this Act, to enhance the job prospects and career opportunities of young persons, including employment, community service opportunities, and such training and supportive services as are necessary to enable participants to secure suitable and appropriate unsubsidized employment in the public and private sectors of the economy. To the maximum extent feasible, training and employment opportunities afforded under this subpart shall be interrelated and mutually reinforcing so as to achieve the goal of enhancing the job prospects and career opportunities of youths served under this subpart.

[PROGRAMS AUTHORIZED

[SEC. 432. (a) The Secretary is authorized to provide financial assistance to enable eligible applicants to provide employment opportunities and appropriate training and supportive services for eligible participants, including—

[(1) useful work experience opportunities in a wide range of community betterment activities such as rehabilitation of public properties, assistance in the weatherization of homes occupied by low-income families, demonstrations of energy-conserving measures, including solar energy techniques (especially those utilizing materials and supplies available without cost), park establishment and upgrading, neighborhood revitalization, conservation and improvements, removal of architectural barriers to access, by handicapped individuals, to public facilities, and related activities;

[(2) productive employment and work experience in fields such as education, health care, neighborhood transportation services, crime prevention and control, environmental quality control (including integrated pest management activities), preservation of historic sites, and maintenance of visitor facilities;

[(3) appropriate training and services to support the purpose of this subpart, including—

[(A) outreach, assessment, and orientation;

[(B) counseling, including occupational information and career counseling;

[(C) activities promoting education to work transition;

[(D) development of information concerning the labor market, and provision of occupational, educational, and training information;

[(E) services to youth to help them obtain and retain employment;

[(F) literacy training and bilingual training;

[(G) attainment of certificates of high school equivalency;

[(H) job sampling, including vocational exploration in the public and private sector;

[(I) institutional and on-the-job training, including development of basic skills and job skills;

[(J) transportation assistance;

[(K) child care and other necessary supportive services;

[(L) job restructuring to make jobs more responsive to the objectives of this subpart, including assistance to employers in developing job ladders or new job opportunities for youths, in order to improve work relationships between employers and youths;

[(M) community-based central intake and information services for youth;

[(N) job development, direct placement, and placement assistance to secure unsubsidized employment opportunities for youth to the maximum extent feasible, and referral to employability development programs;

[(O) programs to overcome sex-sterotyping in job development and placement; and

[(P) programs and outreach mechanisms to increase the labor force participation rate among minorities and women.

[(b) In order to carry out this subpart, a Governor or a prime sponsor may enter into contracts with project applicants (as defined in section 3(20)) or employers organized for profit, but payments to such employers shall not exceed the amounts permitted under section 121(l), or may operate programs directly if, after consultation with community-based organizations and nonprofit groups, a Governor or prime sponsor determines that such direct operation will promote the purposes of this subpart.

[ALLOCATION OF FUNDS

[SEC. 433. (a) From the sums available for this subpart—

[(1) an amount equal to 75 percent of such funds shall be made available to prime sponsors for programs authorized under section 432;

[(2) an amount equal to 5 percent of the amount available for this part shall be made available to Governors for special statewide youth services under subsection (c);

[(3) an amount equal to not less than 2 percent of the amount available for this part shall be made available for employment and training programs for Native American eligible youths (deducting such amounts as are made available for such purposes under section 423(b));

[(4) an amount equal to not less than 2 percent of the amount available for this part shall be made available for employment and training programs for eligible youths in migrant and seasonal farmworker families (deducting such amounts as are made available for such purposes under section 423(b)); and

[(5) the remainder of the funds available for this subpart shall be available for the Secretary's discretionary projects authorized under section 438.

[(b)(1) Amounts available for each of the purposes set forth in paragraphs (1) and (2) of subsection (a) shall be allocated among the States in such a manner that—

[(A) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons within each State as compared to the total number of such unemployed persons in all States;

[(B) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons residing in areas of substantial unemployment (as defined in section 3(2)) within each State as compared to the total number of unemployed persons residing in all such areas in all States; and

[(C) 25 percent thereof shall be allocated in accordance with the relative number of persons in families with an annual income below the low-income level (as defined in section 3(16)) within each State as compared to the total number of such persons in all States.

[(2) In determining allocations under this subsection the Secretary shall use what the Secretary determines to be the best available data.

[(3) Amounts available to prime sponsors under paragraph (1) of subsection (a) shall, out of the total amounts allocated to each State under such paragraph, be allocated by the Secretary among prime sponsors within each State, in accordance with the factors set forth in paragraph (1) of this subsection.

[(c) The amount available to the Governor of each State under paragraph (2) of subsection (a) shall be used in accordance with a special statewide youth services plan, approved by the Secretary, for such purposes as—

[(1) providing financial assistance for employment and training opportunities for eligible youths who are under the supervision of the State;

[(2) providing labor market and occupational information to prime sponsors and local educational agencies, without reimbursement;

[(3) providing for the establishment of cooperative efforts between State and local institutions, including (A) occupational and career guidance and counseling and placement services for in-school and out-of-school youth; and (B) coordination of statewide activities carried out under the Career Education Incentive Act;

[(4) providing for the establishment of cooperative efforts between State and local institutions, including occupational and career guidance and counseling and placement services for in-school and out-of-school youth;

[(5) providing financial assistance for expanded and experimental programs in apprenticeship trades, or development of new apprenticeship arrangements, in concert with appropriate businesses and labor unions or State apprenticeship councils; and

[(6) carrying out special model employment and training programs and related services between appropriate State agencies and prime sponsors in the State, or any combination of such prime sponsors, including subcontractors selected by prime sponsors, with particular emphasis on experimental job training within the private sector.

[(d)(1) Not less than 22 percent of the amount allocated to each prime sponsor under paragraph (1) of subsection (a) of this section shall be used for programs under this subsection.

[(2) The amount available to each prime sponsor under paragraph (1) shall be used for programs for in-school youth carried out pursuant to agreements between prime sponsors and local educational agencies. Each such agreement shall describe in detail the employment opportunities and appropriate training and supportive services which shall be provided to eligible participants who are enrolled or who agree to enroll in a full-time program leading to a secondary school diploma, a junior or community college degree, or a technical or trade school certificate of completion. Each such agreement shall contain provisions to assure that funds received pursuant to the agreement will not supplant State and local funds expended for the same purpose.

[(e) Programs receiving assistance under paragraph (1) of subsection (a) shall give special consideration in carrying out programs authorized under section 432, to community-based organizations (as defined in section 3(4)) which have demonstrated effectiveness in the delivery of employment and training services.

[ELIGIBLE APPLICANTS

[SEC. 434. Eligible applicants for purposes of this subpart, except section 438, are prime sponsors qualified under section 101, sponsors of Native American programs qualified under section 302(c)(1), and sponsors of migrant and seasonal farmworker programs qualified under section 303.

[ELIGIBLE PARTICIPANTS

[SEC. 435. Eligible participants for programs authorized under this subpart shall be persons who—

[(1)(A) are unemployed or are underemployed or are in school and are ages 16 to 21, inclusive; or (B) if authorized under such regulations as the Secretary may prescribe, are in school and are ages 14 to 15, inclusive; and

[(2) are not members of households which have current gross family income, adjusted to an annualized basis (exclusive of unemployment compensation and all Federal, State, and local income-tested or needs-tested public payments) at a rate exceeding 85 percent of the lower living standard income level, except that, pursuant to regulations which the Secretary shall prescribe, persons who do not meet the requirements of this subparagraph but who are otherwise eligible under this subpart may participate in appropriate activities of the type authorized under section 432(a).

Notwithstanding the provisions of subsection (a), 10 percent of the funds available for this subpart may be used for programs which

include youths of all economic backgrounds to test the desirability of including youths of all economic backgrounds.

[CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

[SEC. 436. (a) The Secretary shall not provide financial assistance to an eligible applicant for programs authorized under section 432 unless such eligible applicant provides assurances that the standards set forth in subpart 4 will be met and unless such eligible applicant submits an application in such detail as the Secretary may prescribe. Each such application shall—

[(1) describe the programs, projects, or activities to be carried out with such assistance, together with a description of the relationship and coordination of services provided to eligible participants under this subpart for similar services offered by local education agencies, postsecondary institutions, the public employment service, the courts of jurisdiction for status and youthful offenders, other youth programs, community-based organizations, businesses and labor organizations consistent with the requirements of sections 121 and 203, and assurances that, to the maximum extent feasible, use will be made of any services that are available without reimbursement by the State employment service that will contribute to the achievement of the purposes of this subpart;

[(2) include assurances that the application will be coordinated to the maximum extent feasible, with the plans submitted under title II, but services to youth under that title shall not be reduced because of the availability of financial assistance under this subpart;

[(3) provide assurances, satisfactory to the Secretary, that in the implementation of programs under this subpart, there will be coordination, to the extent appropriate, with local educational agencies, postsecondary institutions, community-based organizations, public assistance agencies, businesses, labor organizations, job training programs, other youth programs, the apprenticeship system, the courts of jurisdiction for status and youthful offenders programs, and (with respect to the referral of prospective youth participants to the program) the public employment service system;

[(4) provide assurances that in the implementation of programs under this subpart, there will be coordination, to the extent feasible, with activities conducted under the Career Education Incentive Act;

[(5) provide assurance satisfactory to the Secretary that allowances will be paid in accordance with the provisions of section 124 and such regulations as the Secretary may prescribe for this subpart;

[(6) provide assurances that the application will be reviewed by the appropriate prime sponsor planning council in accordance with the provisions of section 109;

[(7) provide assurances that a youth council will be established under the planning council of such eligible applicant (established under section 109) in accordance with subsection (b) of this section;

[(8) provide assurances satisfactory to the Secretary that effective means will be provided through which youths participating in the projects, programs, and activities may acquire appropriate job skills and be given necessary basic education and training and that suitable arrangements will be established to document the competencies, including skills, education, and training, derived by each participant from programs established under this subpart;

[(9) provide assurances that the eligible applicant will take appropriate steps to develop new job classifications, new occupations, and restructured jobs;

[(10) provide that the funds available under section 433(d) shall be used for programs authorized under section 432 for in-school youth who are eligible participants through arrangements to be carried out by a local educational agency or agencies or postsecondary educational institution or institutions; and

[(11) provide such other information and assurance as the Secretary may deem appropriate to carry out the purposes of this subpart.

[(b) Each youth council established by an eligible applicant shall be responsible for making recommendations to the planning council established under section 109 with respect to planning and review of activities conducted under this subpart and subpart 2. Each such youth council's membership shall include representation from the local educational agency, local vocational education advisory council, postsecondary educational institutions, business, unions, the public employment service, local government and non-government agencies and organizations which are involved in meeting the special needs of youths, the community served by such applicant, the prime sponsor, and youths themselves.

[(c) No program of work experience for in-school youth supported under this subpart shall be entered into unless an agreement has been made between the prime sponsor and a local educational agency or agencies, after reivew by the youth council established under subsection (b). Each such agreement shall—

[(1) set forth assurances that participating youths will be provided meaningful work experience, which will improve their ability to make career decisions and which will provide them with basic work skills needed for regular employment or self-employment not subsidized under this in-school program;

[(2) be administered, under agreements with the prime sponsor, by a local educational agency or agencies or a postsecondary educational institution or institutions within the area served by the prime sponsor, and set forth assurances that such contracts have been reviewed by the youth council established under subsection (b);

[(3) set forth assurances that job information, counseling, guidance, and placement services will be made available to participating youths and that funds provided under this program will be available to, and utilized by, the local educational agency or agencies to the extent necessary to pay the cost of school-based counselors to carry out the provisions of this in-school program;

[(4) set forth assurances that jobs provided under this program will be certified by the participating educational agency or institution as relevant to the educational and career goals of the participating youths;

[(5) set forth assurances that the eligible applicant will advise participating youths of the availability of other employment and training resources provided under this Act, and other resources available in the local community to assist such youths in obtaining employment or self-employment;

[(6) set forth assurances that youth participants will be chosen from among youths who are eligible participants who need work to remain in school, and shall be selected by the appropriate educational agency or institution, based on the certification for each participating youth by the school-based guidance counselor that the work experience provided is an appropriate component of the overall educational program of each youth.

[REVIEW OF PLANS BY SECRETARY

[SEC. 437. The provisions of sections 102, 104, and 107 shall apply to all programs and activities authorized under section 432.

[SECRETARY'S DISCRETIONARY PROJECTS

[SEC. 438. (a)(1) The Secretary of Labor is authorized, either directly or by way of contract or other arrangement, with prime sponsors, public agencies, and private organizations to carry out innovative and experimental programs to test new approaches for dealing with the unemployment problems of youth and to enable eligible participants to prepare for, enhance their prospects for, or secure employment in occupations through which they may reasonably be expected to advance to productive working lives. Such programs shall include, where appropriate, cooperative arrangements with educational agencies to provide special programs and services for eligible participants enrolled in secondary schools, postsecondary educational institutions, and technical and trade schools, including job experience, counseling and guidance prior to the completion of secondary or postsecondary education and making available occupational, educational, and training information through statewide career information systems.

[(2) In carrying out or supporting such programs, the Secretary shall consult, as appropriate, with the Secretary of Commerce, the Secretary of Education, the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Director of the ACTION Agency, and the Director of the Community Services Administration.

[(3) Funds available under this section may be transferred to other Federal departments and agencies to carry out functions delegated to them pursuant to agreements with the Secretary.

[(b) The Secretary and prime sponsors, as the case may be, shall give special consideration in carrying out innovative and experimental programs assisted under this section to community-based organizations (as defined in section 3(4)) which have demonstrated effectiveness in the delivery of employment and training services.

[YOUTH EMPLOYMENT INCENTIVE AND SOCIAL BONUS PROGRAM

[SEC. 439. (a) From funds available under section 438 the Secretary, through the use of prime sponsors where feasible, shall carry out in not more than 10 areas of high youth unemployment a youth employment incentive and social bonus demonstration program in order to test the efficacy of providing incentives for private industry to establish additional employment opportunities for youth without significant previous employment experience.

[(b)(1) The Secretary shall provide a social bonus of not more than $2,500 per year, in such amount and in such manner as the Secretary shall prescribe, to each employer who, pursuant to an agreement under this section, has employed 5 eligible youths for at least 35 hours per week for a period of not less than one year. The Secretary may allow for payment after 9 months in exceptional circumstances.

[(2) A youth is eligible if such youth is economically disadvantaged, unemployed, and has no significant previous employment, as determined by the Secretary. No youth may participate in this program for more than 18 months.

[(3) An employer may receive a social bonus for each such youth employed if—

[(A) the employer has at least 5 eligible youths in the program; and

[(B) the employer offers each youth in the program appropriate training, supportive services, and counseling.

If such training includes on-the-job training, the social bonus shall be in addition to any moneys received under the on-the-job training agreement.

[(c) In the selection of employers to carry out projects under this section, the Secretary shall give priority to urban poverty areas in which the State or local government provides for special tax treatment for any employer which locates or expands within the urban poverty area, and to any employer establishing a new facility in an urban poverty area.

[(d) No payment for a social bonus may be made under this section unless—

[(1) youth employed under this program are paid no less than the higher of the prevailing rate of pay for the occupation and job classification of individuals employed by the same employer, or the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage; and

[(2)(A) the conditions of this Act are followed including sections 121(g)(1)(B) (relating to maintenance of effort), 121(f)(1) (relating to meaningful training and employment), and 123(a) (relating to jobs in low wage industries); and

[(B) the employment will not result in the filling of a job opening created by the action of the employer in laying off or terminating the employment of any regular employee in anticipation of filling the vacancy so created by hiring a youth employee in order to receive such social bonus.

[(e) An employer who receives a social bonus under this section may not receive, apply for, or accept any financial advantage from

the Federal Government for such employment other than as specified in this Act.

[(f)(1) The Secretary, in consultation with the Secretary of the Treasury and other appropriate Federal officials, shall assure that activities carried out under this section are coordinated with any appropriate other activities under which employers are provided incentives or credits by the Federal Government for the employment of comparably unemployed individuals.

[(2) Not later than 36 months after the date of enactment of this section the Secretary, in consultation with the Secretary of the Treasury and other appropriate Federal officials shall submit to the appropriate committees of the Congress a report on the results of activities carried out under this section in comparison to the results of such other activities.]

Subpart 1—Basic Grants for Youth Employment and Training Programs

PURPOSE OF SUBPART 1

SEC. 421. It is the purpose of this subpart to establish programs designed to make a significant long-term impact on the structural unemployment problems of youth, supplementary to but not replacing programs and activities available under title II of this Act, to enhance the job prospects and career opportunities of young persons, and to provide employment, community service opportunities, and such education, training, and supportive services as are necessary to enable participants to secure suitable and appropriate unsubsidized employment in the public and private sectors of the economy. To the maximum extent feasible, education, training, and employment opportunities afforded under this subpart shall be interrelated and mutually reinforcing so as to achieve the goal of enhancing the job prospects and career opportunities of youths served under this subpart.

PROGRAMS AUTHORIZED

SEC. 422. (a) The Secretary is authorized to provide financial assistance to eligible applicants to provide employability development opportunities and supportive and followup services to eligible youth to promote the transition to unsubsidized employment, including—

(1) useful and constructive work or career employment experience opportunities, coupled to the maximum extent feasible with ancillary skill training, remedial education, counseling, services offered under subpart 4 of part A of title IV of the Higher Education Act of 1965, or other employability development or supportive services, in community improvement and conservation projects and in the provision of socially useful services, but only in accordance with the employability plan prepared under section 413;

(2) services to prepare the youth to participate effectively in the program, including—

(A) outreach;

(B) assessment;

(C) orientation;

(3) education related activities, including—

(A) improvement of educational competencies;

(B) remedial education;

(C) literacy training and bilingual education;

(D) attainment of high school equivalency certificates, or certification which, under State law, is equivalent to a high school diploma, including provision of basic skills training;

(4) youth labor market services, including—

(A) counseling;

(B) providing information concerning the labor market, including information concerning occupations and the availability of training and other occupational preparation;

(C) placement, job development, and other assistance to obtain unsubsidized employment and referral to employability development opportunities;

(D) job sampling, including vocational exploration in the private and public sector and programs aimed at exposing students to actual work experiences through workshops and cooperative education programs;

(E) institutional and on-the-job training, including inculcation of specific occupational skills and the development of good work habits and attitudes;

(F) career counseling and programs to increase knowledge of the world of work in general and of the specifics of particular job openings and career options;

(5) supportive services for youth, including—

(A) child care;

(B) transportation assistance;

(C) followup services through cooperative arrangements between employers and the providers of the services, or otherwise, for up to ninety days for youth placed in unsubsidized employment to assist them in retaining such employment, but the cost of providing such services shall not be included in any computation of the prime sponsor's cost per placement;

(6) other youth services, including—

(A) activities promoting education-to-work transition;

(B) job restructuring to make jobs more responsive to the purpose of this subpart, including assistance to employers in developing job ladders or new job opportunities for youth, in order to improve work relationships between employers and youth;

(C) community-based central intake and information services for youth;

(D) programs and services to overcome stereotyping in job development, referral, and placement based on sex, ethnic group, criminal or juvenile record, or handicapped status;

(E) programs and outreach mechanisms to increase the participation rate of minorities and women in the labor force;

(F) promotion of the targeted job tax credit, and the Federal bonding program for those unable to obtain fidelity bonding, to help youth obtain and retain employment; and

(G) career intern programs, jointly conducted by community-based organizations and local educational agencies, for the improvement of educational and employment opportunities for eligible youth; and

(7) special programs in new career areas, occupational fields that are experiencing shortages, and fields in which national need is increasing, such as solar energy and other forms of energy conservation and weatherization.

(b) In order to carry out this subpart, a Governor or an eligible applicant (1) may enter into contracts with project applicants (as defined in section 3(20)) or employers organized for profit, but payments to such employers shall not exceed the amounts permitted under section 121(l), or (2) may operate programs directly if, after consultation with community-based organizations and nonprofit groups, a Governor or eligible applicant determines that such direct operation will promote the purpose of this subpart.

(c) The provisions of sections 102, 104, and 107 shall apply to all programs and activities authorized under this section.

ALLOCATION OF FUNDS

SEC. 423. (a) From the sums available for this subpart in accordance with section 441—

(1) an amount equal to 5 percent of such sums shall be made available to Governors for special statewide youth services under subsection (c);

(2) an amount equal to not less than 3 percent of such sums shall be made available for programs authorized under section 422 for Native American eligible youth;

(3) an amount equal to not less than 3 percent of such sums shall be made available for programs authorized under section 422 for eligible youth in migrant and seasonal farmworker families; and

(4) the remainder of such sums shall be made available to prime sponsors for programs authorized under section 422.

(b)(1) Amounts available for each of the purposes set forth in paragraphs (1) and (4) of subsection (a) shall be allocated among the States in such a manner that—

(A) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons within each State as compared to the total number of such unemployed persons in all States;

(B) 37.5 percent thereof shall be allocated in accordance with the relative number of unemployed persons residing in areas of substantial unemployment (as defined in section 3(2)) within each State as compared to the total number of unemployed persons residing in all such areas in all States; and

(C) 25 percent thereof shall be allocated in accordance with the relative number of persons in families with an annual income below the low-income level (as defined in section 3(16)) within each State as compared to the total number of such persons in all States.

(2) In determining allocations under this subsection the Secretary shall use the best available data as determined by the Secretary.

(3) Amounts available to prime sponsors under paragraph (4) of subsection (a) shall, out of the total amounts allocated to each State under such paragraph, be allocated by the Secretary among prime sponsors within each State in accordance with the factors set forth in paragraph (1) of this subsection.

(c) The amount available to the Governor of each State under paragraph (1) of subsection (a) shall be used in accordance with a special statewide youth services plan, approved by the Secretary, for such purposes as—

(1) providing financial assistance for employment and training opportunities for eligible youths who are under the supervision of the State, with consideration given those youth under the jurisdiction of juvenile or criminal justice agencies;

(2) providing labor market and occupational information, in conjunction with the State occupational information coordinating committee (established pursuant to section 161(b) of the Vocational Education Act of 1963), to prime sponsors and local educational agencies, without reimbursement;

(3) providing for the establishment of cooperative efforts between State and local institutions, including (A) occupational and career guidance and counseling and placement services for in-school and out-of-school youth; and (B) coordination of statewide activities carried out under the Career Education Incentive Act;

(4) providing financial assistance for expanded and experimental programs in apprenticeship trades, or development of new apprenticeship arrangements, in concert with appropriate businesses and labor unions or State apprenticeship councils;

(5) carrying out special model employment and training programs and related services between appropriate State agencies and prime sponsors in the State, or any combination of such prime sponsors, including subcontractors selected by prime sponsors, with particular emphasis on experimental job training within the private sector; and

(6) carrying out cooperative efforts with institutions of postsecondary education throughout the State sponsoring projects funded under subpart 4 of part A of title IV of the Higher Education Act of 1965 (relating to special programs for students from disadvantaged backgrounds), focusing on preparing eligible youth for careers in which persons from disadvantaged backgrounds are significantly underrepresented.

(d)(1) Subject to section 302 of the Youth Act of 1980, not less than 22 percent of the amount allocated to each prime sponsor under paragraph (4) of subsection (a) of this section may be used only for programs under this subsection.

(2) The amount available to each prime sponsor under paragraph (1) may be used only for programs for youth carried out pursuant to agreements between prime sponsors and local educational agencies. Each such agreement shall describe in detail the appropriate education arrangements, employment opportunities, training, and supportive services which shall be provided to eligible youth who are enrolled or who agree to enroll in a program leading to a secondary school diploma or a certificate of high school equivalency, a junior or community college degree, or a technical or trade school certificate of completion. Each such agreement shall describe in detail the

appropriate alternative education arrangements for those youth who require such services. Each such agreement shall contain provisions to assure that funds received pursuant to the agreement will not supplant State and local funds expended for the same purpose.

(3) No funds under this subsection may be used until the prime sponsor has entered into an agreement with each appropriate local educational agency, as required by section 220(b) of the Youth Act of 1980, unless the Secretary waives the requirement of this paragraph on the basis of a determination that the prime sponsor has made a good faith effort to enter into such agreement or agreements.

(e) Programs receiving assistance under paragraph (1) of subsection (a) shall give special consideration, in carrying out programs authorized under section 422, to community-based organizations (as defined in section 3(4)) which have demonstrated effectiveness in the delivery of employment and training services.

CONDITIONS FOR RECEIPT OF FINANCIAL ASSISTANCE

SEC. 424. (a) The Secretary shall not provide financial assistance to an eligible applicant for programs authorized under section 422 unless such eligible applicant provides adequate assurances that the standards set forth in subpart 3 will be met and unless such eligible applicant submits an application in such detail as the Secretary may prescribe. Each such application shall—

(1) describe the programs, projects, or activities to be carried out with such assistance, together with a description of the relationship and coordination of services provided to eligible participants under this subpart with similar services offered by local educational agencies, postsecondary institutions, the public employment service, the courts of jurisdiction for status and youthful offenders, other youth programs, community-based organizations, businesses and labor organizations consistent with the requirements of sections 121 and 203, and assurances that, use will be made, to the extent appropriate, of all existing programs and facilities, whether public or private and that, to the maximum extent feasible, use will be made of any services that are available without reimbursement from the State employment service that will contribute to the achievement of the purposes of this subpart;

(2) provide assurances that the application will be coordinated, to the maximum extent feasible, with services to youth under title II, but services to youth under that title shall not be reduced because of the availability of financial assistance under this subpart;

(3) provide assurances that the application will be coordinated, to the maximum extent feasible, with the plans submitted for the purposes of section 483;

(4) provide assurances that in the implementation of programs under this subpart, there will be coordination, to the extent appropriate, with local educational agencies, private sector initiatives under title VII of this Act, postsecondary institutions, special statewide school districts, community-based organizations, public assistance agencies, businesses, labor organizations, public and private job training programs, other youth programs, the apprenticeship system, the courts of jurisdiction

for status and youthful offenders programs, and (with respect to the referral of prospective youth participants to the program) the public employment service system;

(5) provide assurances that in the implementation of programs under this subpart, there will be coordination, to the extent feasible, with activities conducted under the Career Education Incentive Act;

(6) provide assurances that employment and training services to any participant under this subpart will not duplicate services being received by that participant under title XX of the Social Security Act;

(7) provide assurances that allowances will be paid in accordance with the provisions of section 124 and such regulations as the Secretary may prescribe for this subpart;

(8) provide assurances that the application will be reviewed by the appropriate prime sponsor planning council in accordance with the provisions of section 109 and by the private industry council;

(9) provide assurances that a youth council will be established under the prime sponsor planning council by such eligible applicant in accordance with subsection (b) of this section;

(10) provide assurances that effective means will be provided through which youths participating in the projects, programs, and activities under this subpart may acquire appropriate job skills and language proficiency training appropriate to such skills and be given necessary basic education and training, and that the applicant will comply with sections 412 and 413 of this title;

(11) provide assurances that the eligible applicant will take appropriate steps to develop new job classifications, new occupations, and restructured jobs;

(12) provide assurances that employment and supportive services will be provided to youthful offenders;

(13) provide that the funds available under section 423(d) shall be used for programs authorized under section 422 for eligible youth through arrangements to be carried out by a local educational agency or agencies or postsecondary educational institution or institutions; and

(14) provide such other information and assurances as the Secretary may deem appropriate to carry out the purposes of this subpart.

(b) Each youth council established by an eligible applicant shall be responsible for making recommendations to the prime sponsor planning council and the prime sponsor with respect to the youth plan, program operations, and the establishment and implementation of performance standards. Each such youth council's membership shall include representation from the local educational agency, local vocational education advisory council, postsecondary educational institutions, juvenile and criminal justice agencies, the private industry council, labor organizations, the public employment service, local government and nongovernment agencies and organizations which are involved in meeting the special needs of youth, the community served by such applicant, the prime sponsor, and youth themselves. Not less than one-fourth of the youth council membership shall be comprised of youth. The youth council shall be

representative of the ethnicity of the community to be served. The prime sponsor shall be responsible for providing staff for professional, technical, and clerical assistance to the youth council.

(c) No program of work experience for in-school youth supported under this subpart shall be entered into unless an agreement has been made between the prime sponsor and a local educational agency or agencies, after review by the youth council established under subsection (b). Each such agreement shall—

(1) set forth assurances that participating youth will be provided meaningful work experience (such as cooperative vocational education), which will improve their ability to make career decisions and which will provide them with basic work skills needed for regular unsubsidized employment or self-employment;

(2) be administered by a local educational agency or agencies or a postsecondary educational institution or institutions within the area served by the prime sponsor, and set forth assurances that the agreement has been reviewed by the youth council established under subsection (b);

(3) set forth assurances that job information, counseling, guidance, and placement services will be made available to participating youth and that funds provided under this program will be available to, and utilized by, the local educational agency or agencies to the extent necessary to pay the cost of school-based counselors to carry out the provisions of this in-school program;

(4) set forth assurances that jobs provided under this program will be certified by the participating educational agency or institution as relevant to the educational and career goals of the participating youths;

(5) set forth assurances that the eligible applicant will advise participating youths of the availability of other education, employment, and training resources provided under this Act, and other resources available in the local community to assist such youths in obtaining employment or self-employment; and

(6) set forth assurances that youth participants will be chosen from among eligible youth who need work to remain in school, and shall be selected by the appropriate educational agency or institution, based on the certification for each participating youth by the school-based guidance counselor that the work experience provided is an appropriate component of the overall educational program of such youth.

Subpart 2—Youth Incentive Entitlement and Supplemental Work Projects

PURPOSE OF SUBPART 2

SEC. 431. (a) It is the purpose of this subpart to provide the Secretary with authority to establish a program entitling economically disadvantaged youth in selected poverty areas to part time employment, full-time employment, or other appropriate compensated activity, or a combination thereof, by allowing eligible applicants to use funds provided under subpart 1 to pay one-half the cost associated with such employment and appropriate compensated activity and

providing the other half of such cost from funds available for this subpart.

(b) For the purposes of this subpart, appropriate compensated activity for each youth receiving assistance under this subpart shall be determined by a school-based guidance counselor and shall consist of activities outside the youth's regular course of study, such as work sampling, vocational education, community service, alternative or remedial education, cultural activity, training or any other general education, or any other activity or combination thereof determined appropriate in order to maximize the employability potential of such youth or to assist such youth in making satisfactory progress toward attaining a diploma or a certificate of high school equivalency. Such compensated activity shall be approved as part of the youth employability plan as required by section 413.

(c) For purposes of this subpart, entitlement activity includes otherwise unavailable employment, training, or appropriate compensated activity, or any combination thereof.

ENTITLEMENT PROGRAM AUTHORIZED

SEC. 432. (a) The Secretary shall enter into arrangements with eligible applicants for the purpose of providing—

(1) part-time entitlement activity during the school year for eligible youth (from selected poverty areas served by such eligible applicant) who resume or maintain attendance in secondary school for the purpose of acquiring a high school diploma or in a program which leads to a certificate of high school equivalency; and full-time entitlement activity during the summer months for such youth; and

(2) otherwise unavailable full-time employment under section 433(3) for economically disadvantaged youth aged 16 to 21, inclusive, from such selected poverty areas who have such a diploma or certificate.

(b) The Secretary shall, on the basis of the most recent reliable data on the amount of funds which will be available for purposes of this subpart for a fiscal year and on the basis of the number of economically disadvantaged youth, aged 16 to 21, inclusive, residing in poverty areas served by eligible applicants, make available to each eligible applicant a tentative allocation of such funds. Such notice shall be given sufficiently in advance of the date required for submission of applications under section 434(a) for such fiscal year to provide such eligible applicants with adequate guidance in formulating such applications in a manner most likely to avoid the imposition of the measures described in section 434(b)(2). Such notice shall be revised as necessary to inform eligible applicants of changes made necessary by succeeding events or alteration in the bases of the projections.

(c) Each eligible applicant whose application for assistance under this subpart is approved by the Secretary shall provide the entitlement activity described in subsection (a) to unemployed youth described in subsection (a) who resides within the selected poverty area and who apply to the prime sponsor for entitlement activity. The Secretary shall provide to each eligible applicant, from funds available for carrying out this subpart in accordance with section 441 or made available by the Secretary from funds available for section

448, the amount which that eligible applicant is eligible to receive under subsection (d).

(d) Each eligible applicant whose application has been approved under section 434(b) shall be eligible to receive from funds available for this subpart, for each youth who is provided entitlement activity by that eligible applicant, one-half the costs associated with providing such entitlement activity.

(e)(1) For purposes of this section, the term "poverty area" means any Bureau of the Census geographical division in which, on the basis of the most recent satisfactory data available to the Secretary, 20 percent or more of the residents are at or below the poverty level, computed on the basis of the criteria of poverty used by the Bureau of the Census.

(2) For purposes of this section, the term "selected poverty area" means any portion or all of a poverty area or aggregation of poverty areas which is selected for services under this subpart pursuant to section 434(a)(2).

EXTENT OF ENTITLEMENT ACTIVITIES

SEC. 433. Entitlement activities provided under this subpart shall be comprised of the following:

(1) Part-time entitlement activities during the school year, not to exceed an average of 20 hours per week for each youth, and not to last less than 6 nor more than 9 months, in entitlement activities provided by community-based organizations of demonstrated effectiveness which have a knowledge of the needs of disadvantaged youth; local educational agencies; institutions of higher education; special statewide school districts; nonprofit private organizations or institutions engaged in public service; nonprofit voluntary youth organizations; nonprofit private associations, such as labor organizations, educational associations, business, cultural, or other nonprofit private associations; business; units of general local government; or special purpose political subdivisions either having the power to levy taxes and spend funds or serving such special purpose in 2 or more units of general local government.

(2) Full-time employment, training, or a combination thereof during the summer months, not to exceed 40 hours per week for each youth employed, and not to last less than 8 weeks in any of the entities described in paragraph (1), and, for those participating youth who successfully obtain a high school diploma or its equivalency at the end of the regular school year, full-time employment for the next following summer.

(3) Full-time employment for youth described in section 432(a)(2) in critical national priority projects such as solar energy and other forms of energy conservation and development, economic development, housing rehabilitation, and conservation of resources (including preservation of public infrastructure capital).

APPLICATIONS AND SECRETARIAL REVIEW

SEC. 434. (a) Any eligible applicant which desires to receive assistance under this subpart shall submit to the Secretary, at such time

(after publication of the tentative allocation under section 432(b)) and in such manner as the Secretary may require, an application which shall provide—

(1) a description of the procedure to be utilized by the eligible applicant to publicize, consider, approve, audit, and monitor youth entitlement activities funded by the eligible applicant under this part, including copies of proposed application materials, as well as examples of audit and client characteristics reports;

(2) a description of the area or areas (within or congruent with the poverty area or areas or aggregation of poverty areas served by the eligible applicant) selected for purposes of programs under this subpart consistent with the tentative allocation published under section 432(b) and with paragraph (4) of this subsection;

(3) a statement of the estimated number of youth to be served in accordance with section 432 by the eligible applicant;

(4) assurances that the eligible applicant will provide, from funds received under subpart 1 of this part, one-half the costs associated with entitlement activities provided under this subpart;

(5) assurances of compliance with the provisions of sections 442 and 443 (relating to wage provisions and special conditions);

(6) assurances that the eligible applicant has, in the development of the plan, consulted with public and private nonprofit educational agencies including vocational and postsecondary education institutions, special statewide school districts, and other agencies which offer high school equivalency programs; public employers, including law enforcement and judicial agencies; State and local public assistance agencies; labor organizations; voluntary youth groups; community-based organizations; organizations of demonstrated effectiveness with a special knowledge of the needs of such disadvantaged youth; and with the private industry council; and assurances that arrangements are made with appropriate groups to assist the eligible applicant in carrying out the purposes of this subpart;

(7) assurances that arrangements are made with the State employment security agencies to carry out the purposes of this subpart;

(8) an agreement that funds available under title II for economically disadvantaged youth employment programs and funds available for the summer youth program under part C of this title for eligible youth will be used in support of entitlement activity authorized under this subpart;

(9) assurances that the applicant will comply with the limitations contained in section 433, except that, in the case of an eligible youth who is determined by the prime sponsor in accordance with standards prescribed by the Secretary to be exceptionally needy, the 20-hour limitation contained in section 433(1) may be waived;

(10) assurances that whenever employment involves additional on-the-job, institutional, or apprenticeship training provided by the employer, and if such training is not paid for in full or in part by the eligible applicant under any other program au-

thorized under this Act, wages may be paid in accordance with the provisions of section 14(b) of the Fair Labor Standards Act of 1938, and with the balance being applied to the cost of training;

(11) assurances that (A) arrangements have been made (i) with the appropriate local educational agency or with the institution offering a certified high school equivalency program that such youth is enrolled and meeting the minimum academic and attendance requirements of that school or education program, and (ii) with employers that such youth meet the minimum work and attendance requirements of such employment, and (B) that any entitlement activity is conditioned on such enrollment and requirements;

(12) assurances that special efforts will be made to recruit youth from families receiving public assistance, including parents (of dependent children) who meet the age requirement of this subpart;

(13) assurances that subsidies to encourage private employers to provide employment and training opportunities under this subpart will not exceed the net cost to the employer of the wages paid and training provided; and

(14) assurances that the eligible applicant will make available the data necessary for the Secretary to prepare the reports required by section 127.

(b)(1) Except as provided in paragraphs (2) and (3), the Secretary shall, in reviewing applications submitted by the prime sponsors under subsection (a), approve only those applications submitted by prime sponsors who in addition to fulfilling the requirement of subsection (a) have—

(A) demonstrated the administrative capacity to operate an entitlement program and are willing to devote sufficient resources for this purpose;

(B) designated, as an area for programs under this subpart, a selected poverty area of only such size and scope that funds expected to be available will be sufficient to provide entitlement activity to all youth eligible for such activity residing in such area;

(C) developed an agreement with the appropriate local educational agency or agencies concerning—

(i) procedures for designating and qualifying counselors for in-school youth;

(ii) procedures for allowing for flexible school hours to accommodate the provision of entitlement activities offered under this part;

(iii) procedures for developing an education and employability plan for each in-school youth participating in the program;

(iv) procedures under which counselors will apply standards of bona fide participation in the program and provide for designated periods of suspension from the programs when such standards are not met;

(v) procedures that provide more varied entitlement activities for youth who are making satisfactory progress toward their high school diploma or a certificate of high school equivalency, under objective criteria developed in consulta-

tion with the appropriate local educational agency or State educational agency, and require youth who are not making satisfactory progress under such objective criteria to participate in necessary remedial education that will lead to satisfactory progress; and

(vi) procedures to involve the private industry council in the development of entitlement activity opportunities offered under this part.

(2) If the Secretary determines that the amount of funds available for carrying out this subpart in accordance with section 441, together with any funds made available by the Secretary from funds available for section 448, are not sufficient to pay in full the sum of the amounts for which eligible applicants with approved applications are eligible under section 432(c) the Secretary may—

(A) direct each eligible applicant to submit an amendment to its application reducing (by reduction of the size of the selected poverty area) the amount requested under this subpart; or

(B) withdraw the approval of all such applications and approve only the number for which sufficient funds are available, selected on the basis of such additional criteria of merit and need as may be prescribed by the Secretary.

(3) The Secretary shall, in approving applications submitted by prime sponsors under this part, assure that applications from prime sponsors representing rural poverty areas will receive equitable consideration in the distribution of funds.

SPECIAL PROVISIONS

SEC. 435. (a) Entitlement activity under this subpart shall develop the participant's role as a meaningful member of the community, and may include employment and training in such fields as environmental quality, solar energy, and other forms of energy conservation and development, health care, education, self-employment, social services, public safety, crime prevention and control, transportation, recreation, neighborhood improvement, rural development, conservation, beautification, and community improvement projects.

(b) No funds for employment under this subpart shall be used to provide public services through a nonprofit organization, association, or institution, or a nonprofit private institution of higher education or any other applicant, which were previously provided by a political subdivision or local educational agency in the area served by the project or where the employment and training takes place, and no funds will be used under this subpart to provide such services through such an organization or institution which are customarily provided only by a political subdivision or local educational agency in the area served by such project or where the employment and training takes place.

Subpart [4] *3*—General Provisions

DISTRIBUTION OF FUNDS

[SEC. 441. Of the sums available for carrying out the provisions of this part—

[(1) 15 percent shall be available for subpart 1;

[(2) 15 percent shall be available for subpart 2; and
[(3) 70 percent shall be available for subpart 3.]

ALLOCATION

SEC. 441. Not more than 10 percent of the amount available for purposes of this part for any fiscal year in accordance with section 301 of the Youth Act of 1980 shall be available for the purpose of section 448. Of the remainder of the amount available for this part for any fiscal year in accordance with section 301 of such Act, 80 percent shall be available for purposes of subpart 1 of this part and 20 percent shall be available for purposes of subpart 2 of this part.

* * * * * * *

SPECIAL PROVISIONS FOR [SUBPARTS 2 AND 3] *SUBPART 1*

SEC. 444. (a) Appropriate efforts shall be made to ensure that youths participating in programs, projects, and activities under [subparts 2 and 3] *subpart 1* shall be youths who are experiencing severe handicaps in obtaining employment, including but not limited to those who lack credentials (such as a high school diploma), those who require substantial basic and remedial skill development, those who are women and minorities, those who are veterans of military service, those who are offenders, those who are handicapped, those with dependents, or those who have otherwise demonstrated special need, as determined by the Secretary.

(b) The Secretary is authorized to make such reallocation as the Secretary deems appropriate of any amount of any allocation under [subparts 2 and 3] *subpart 1* to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary has provided 30 days' advance notice of the proposed reallocation to the eligible applicant and to the Governor of the State of the proposed reallocation, during which period of time the eligible applicant and the Governor may submit comments to the Secretary. After considering any comments submitted during such period, the Secretary shall notify the Governor and affected eligible applicants of any decision to reallocate funds, and shall publish any such decision in the Federal Register. Priority shall be given in reallocating such funds to other areas within the same State.

(c) The provisions of section 121(g)(1)(C) shall apply to subparts 2 and 3.

* * * * * * *

RELATION TO OTHER PROVISIONS

SEC. 447 The provisions of title I shall apply to this part, except to the extent that any such provision may be inconsistent with the provisions of this part.

SECRETARY'S DISCRETIONARY FUNDS

SEC. 448. (a)(1) From the sums available for purposes of this section in accordance with section 441, the Secretary of Labor is authorized—

(A) to provide supplemental funds to eligible applicants under subpart 1 and under subpart 2 for the purpose of—

(i) promoting specially worthy programs under such subparts;

(ii) providing recognition for increased service to youth who have encountered special barriers to employment, such as language barriers, physical handicap, pregnancy or maternity, alcohol or drug abuse, supervision by State or other authorities, or supervision by and jurisdiction of the juvenile or criminal justice system and youth of migrant and seasonal farmworker families; and

(iii) providing additional allocations for areas experiencing significant increases in unemployment;

(B) either directly or by way of contract or other arrangement, with prime sponsors, public agencies, and private organizations, to carry out innovative and experimental programs to test new approaches for dealing with the unemployment problems of youth and to enable eligible participants to prepare for, enhance their prospects for, or secure employment in occupations through which they may reasonably be expected to advance to productive working lives; and

(C) provide an outreach and public information program designed to maximize job development and job training opportunities for youthful offenders and to inform such offenders of employment, training, and educational opportunities under this title.

(2) Programs described in paragraph (1)(B) shall include grants awarded to not less than two and not more than five selected prime sponsors (who have an approved entitlement program under subpart 2) of an amount sufficient to test the efficacy of a completion bonus program for youth who successfully obtain a high school diploma or certificate of high school equivalency. Such bonus shall be in an amount not less than the equivalent of 300 hours of paid compensation and shall take the form of either tuition support or employment subsidies or a combination thereof. The Secretary may at his or her discretion alter the conditions of the bonus in order to test its merits.

(3) Programs described in paragraph (1)(B) shall include, where appropriate, cooperative arrangements with educational agencies to provide special programs and services for eligible participants enrolled in secondary schools, postsecondary educational institutions, and technical and trade schools, including job experience, counseling and guidance prior to the completion of secondary or postsecondary education and making available occupational, educational, and training information through statewide career information systems.

(b) In carrying out or supporting programs under subsection (a)(1)(B), the Secretary shall consult, as appropriate, with the Secretary of Commerce, the Secretary of Education, Secretary of Health and Human Services, the Secretary of Housing and Urban Develop-

ment, the Secretary of Agriculture, the Director of the ACTION Agency, and the Director of the Community Services Administration.

(c) Funds available under this section may be transferred to other Federal departments and agencies to carry out functions delegated to them pursuant to agreements with the Secretary.

(d) The Secretary and prime sponsors, as the case may be, shall give special consideration in carrying out innovative and experimental programs assisted under this section to community-based organizations (as defined in section 3(4)) which have demonstrated effectiveness in the delivery of employment and training services and those which jointly conduct with local educational agencies career intern programs for the improvement of educational and employment opportunities for eligible youth.

* * * * * * *

PART C—SUMMER YOUTH PROGRAM

ESTABLISHMENT OF PROGRAM

SEC. 481. (a) The Secretary shall provide financial assistance to prime sponsors to conduct programs for eligible youth (*as defined in section 414*) during the summer months.

(b) Programs shall provide eligible youth (*as defined in section 414*) with useful work and sufficient basic education and institutional or on-the-job training to assist these youths to develop their maximum occupational potential and to obtain employment not subsidized under this Act.

* * * * * * *

THE ACT OF JUNE 3, 1933

AN ACT To provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes.

* * * * * * *

SEC. 6. (a) Each State which desires to receive funds under this section shall submit to the Secretary of Labor a supplement to the plans submitted under section 8, in such form and containing or accompanied by such information and assurances as the Secretary may by regulation require. Such supplement shall be submitted in accordance with the procedures prescribed under sections 110, 423(c), and 433(c) of the Comprehensive Employment and Training Act and section 161(b) of the Vocational Education Act of 1963. In any State which does not submit such a supplement, the Secretary may, directly or by contract with other State or local agencies, operate programs as described in this section from the sums available in accordance with subsection (e).

(b) Supplements submitted under subsection (a) shall provide for the establishment of general employment services for youth which shall include—

(1) orientation for youthful job seekers to labor market conditions and requirements, including job search workshops;

(2) referral to supportive services;

(3) efforts to promote targeted jobs tax credit and on-the-job training opportunities in the private sector; and

(4) placement activities.

(c) In addition to the requirements of subsection (b), supplements submitted under subsection (a) shall provide for the establishment of in-school service to assist youths to make a successful transition from school to working life which shall include—

(1) dissemination of labor market information;

(2) development of job search skills;

(3) development and operation of automated data systems to provide accurate, current information on job availability;

(4) conducting vocational aptitude testing;

(5) providing matching funds for services and training for school counselors, such as training workshops; and

(6) promoting the consultation of school systems with private employers in the development of curricula.

(d) No payment may be made with respect to a program approved for purposes of this section in excess of 80 percent of the cost of the activities proposed in such supplement.

(e) Funds appropriated pursuant to subsection (f) shall be allocated among the States as follows:

(1) 50 percent of the amount appropriated pursuant to subsection (f) for any fiscal year shall be allocated on the basis of the number of individuals age 16 to 21, inclusive, residing in the State, determined on the basis of the most recent satisfactory data available to the Secretary of Labor;

(2) 25 percent of the amount appropriated pursuant to subsection (f) shall be allocated on the basis of the average annual number of such individuals age 16 to 21, inclusive, who are unemployed and residing in such State, determined on the basis of the most recent satisfactory data available to the Secretary of Labor; and

(3) 25 percent of the amount appropriated pursuant to subsection (f) shall be allocated on the basis of the number of such individuals age 16 to 21, inclusive, who are economically disadvantaged and residing in such State, determined on the basis of the most recent satisfactory data available to the Secretary of Labor.

(f) There are authorized to be appropriated to carry out the provisions of this section $50,000,000 for fiscal year 1981 and such sums as may be necessary for each fiscal year thereafter.

(g) As used in this section, the term "economically disadvantaged" means a person who has, or is a member of a family which has, received a total annual family income which, in relation to family size, was not in excess of the higher of (1) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (2) 70 percent of the lower living standard income level as defined in section 3(17) of the Comprehensive Employment and Training Act.

TITLE II

Title II

Title II of H.R. 6711 creates a new program; therefore, it makes no changes in existing law.

DISSENTING VIEWS

Unemployment in the United States is an indisputable fact of the 1980s. Researchers, economists, and policy makers agree that over the next decade the brunt of unemployment among young people will fall primarily on four groups: young women, minorities, dropouts, and youth from poor families. The number of "high risk" youth who will be affected over these 10 years will remain constant 4 million.

Remedies for this vulnerable group must be highly targeted, with as much emphasis placed on prevention for the identified groups as possible.

During the past 15 years, since the federal government has turned its attention to educationally underserved groups, it has focused most of its funding and research on elementary school-age children and post-secondary level students. Students of secondary school age have not had the benefit of federal assistance at nearly the same level.

NEW MONIES AND NEW POLICIES WHILE EXISTING PROGRAMS ARE CUT BACK

Given the unmet goals and inadequate funding of existing job training and compensatory education programs, one must question the wisdom of beginning yet another program with similar objectives and potentially inadequate appropriations, as this legislation would authorize.

Title I of the Elementary and Secondary Education Act, one of the largest federal education programs, focuses its financial assistance on school districts with high concentrations of low income children. Most of these funds and most of the leadership which the federal government has provided for this program since its inception 15 years ago has been directed to elementary school students. In fact, last year less than 20% of Title I funds were used at the secondary school level. However, Title I counts children of ages 5–17 for the purposes of identifying needy and, thereby eligible, students. This program has never been fully funded by the federal government, and has, consequently, never reached all the eligible children from poor families who would qualify for the assistance.

As the Federal Education Project of the Lawyers Committee on Civil Rights Under Law indicated in a statement to the Committee:

> Much of the rationale for a wholly new legislative approach appears to be based on a lack of understanding of the degree of flexibility inherent in Title I. For example, that program already permits comprehensive planning to meet student needs, teacher training and bonus pay, and the use of funds for auxiliary services related to the educational needs of participants. By creating a new subpart of Title I to serve secondary level students, these features could be improved upon and specifically adapted to the secondary level while

maintaining the working structure and important administrative mechanisms already in existence. One argument given by proponents of Title II of the Youth Act for the development of new program legislation rather than the extension of Title I ESEA is the desirability of avoiding the use of "pullout" programs that segregate participants for part of the school day. However, the Office of Education has now made it clear that nothing in the Title I statute or regulations requires school districts to use only "pull-out" programs rather than providing supplementary services to Title I students in the regular class setting. Thus, there would be no restrictions upon the ability of local schools and districts to design programs to meet the unique needs of students at the secondary level.

During the recent major reauthorization of this program, the Education and Labor Committee approved a new section providing for more intensified support for school systems which provide services for the largest concentrations of poor children.

Despite the Committee's recommendation, the full House of Representatives recently sustained President Carter's reduced budget requests for ESEA Title I in both fiscal years 1980 and 1981, rescinding $50 million from the Concentration Grants program in fiscal year 1980, and $150 millon in 1981.

The second major federal education program which provides assistance to secondary school age students is the vocational education program. In recent years, the Education and Labor Committee has recognized the inadequacies of this training program in meeting the needs of minority and disadvantaged youth, and has inserted into the Vocational Education Act a series of provisions specifically designed to rectify these problems, including set-asides to meet the needs of disadvantaged, bilingual and handicapped youth, as well as requirements relating to the elimination of sex discrimination. Basic vocational education grants are also required to be targeted on economically depressed urban areas.

A comparison of the goals of these existing programs illustrate the duplicative nature of the proposed Youth Act. For instance, the Vocational Education Act (VEA) permits federal funds to be used for: "vocational education programs," "work study programs," "cooperative vocational education programs," "support of full-time personnel," "stipends . . . for students entering or already enrolled in vocational education programs, if those students have acute economic needs which cannot be met under work-study programs," "day care services for children of students in secondary and postsecondary vocational education programs" and construction of area vocational schools and residential vocational schools.

The corresponding list under the Youth Act, which applies to a broader array of school services, includes: "vocational training," "vocational exploration and instruction in employment skills," "the promotion of education-to-work transition," "specific occupational skill training . . .". In addition, the VEA places a "priority for funding cooperative vocational education programs through local educational agencies . . . [in] areas that have high rates of school dropouts and youth unemployment." The Committee bill also high-

lights "the development of general work experience and cooperative vocational education programs for students in grades 10 through 12." The only difference in the two bills is that school plans are expected to demonstrate how the prime sponsor and the private sector assist in developing these programs. However, there is no prohibition in existing law against such cooperation, and many witnesses testifying before the Committee identified successful cross-agency projects.

Soon this Committee will open hearings on the reauthorization of the VEA. One of the major issues to be addressed in those hearings is the effectiveness of the existing vocational education law, with the more recent amendments, in training miniority, disadvantaged handicapped and female youth for meaningful employment. Extensive studies by the National Institute of Education, mandated by this committee to assist us in our reauthorization, have also focused on this problem, some of which will not be completed until this spring.

While the signers of this Committee Report cite certain studies asserting the value of vocational education, they fail to mention that numerous other studies raise serious doubts about whether the training assures young people employment at a wage rate comparable to students who have not had vocational training. Simply proving that students like vocational education, as the Rand Corporation study suggests, is inadequate unless the vocational training makes them employable.

In its final report, Giving Youth a Better Chance, the Carnegie Council on Policy Studies in Higher Education devoted a chapter to this subject, "Vocational Education: Change Everything, Including the Name." The Council concluded:

> Among male youth with identical years of schooling * * *, those who have had school-based occupational training are, on the average, no better off and no worse off in terms of unemployment experience, rate of pay, or job satisfaction than those who have pursued general or academic studies.
>
> Some studies have indicated that graduates of high school vocational programs earn more initially than other high school graduates but that this advantage tends to diminish as the years go on.
>
> Studies of the outcomes of vocational education have rarely, if even, been designed to permit special analyses of their impact on disadvantaged students. Yet the evidence on the incidence of violence and absenteeism in big-city schools leads one to suspect that vocational education can hardly be more effective than other types of programs in schools with large concentrations of disadvantaged students. The chief problem with the effort to maintain funding for vocational education, at both the federal and state levels, is that too much of the money goes to preserve the status quo.

The Carnegie Council's findings are based on an extensive technical study of vocational education by John Shea and John Grasso.

Another study, "High School Learning, Vocational Tracking, and What Then?" published by the ML-Group for Policy Studies in Education (February 1980), questioned the notion that vocational education serves vital job training purposes:

> Vocational resources and services are diffused far beyond those enrolled in vocational programs. Consequently, fully 53 percent of all vocational education course hours are taken by pupils enrolled in academic or general programs.

The ML-Group also seriously questioned the apparent effect of vocational education on the employment and wage rates of enrollees. They assert that whatever differential advantage may accrue to pupils who engage in work and vocational education during high school will disappear once the time period of usual post-secondary education is past.

The Congressional Budget Office, in testimony before this committee, also questioned the effectiveness of existing federal vocational education in improving the labor market opportunities of graduates.

In testimony before the Education and Labor Committee, the American Vocational Association indicated that "there are simply not enough facilities nor enough qualified staff, equipment and other resources to meet the needs of all disadvantaged students who could profit from vocational education." In response to further questioning, the AVA suggests that depressed areas are limited in the resources that they can use for matching purposes "in order to entice federal dollars." However, existing law clearly mandates giving these very communities priority.

> The State shall, in considering approval of such applications, give priority to those applicants which are located in economically-depressed areas and areas with high rates of unemployment and *are unable to provide the resources necessary to meet the vocational education needs of those areas without Federal assistance* * * * (emphasis added).

Later on in Section 106.5.B.ii, the law reads:

> The State will not allocate such funds among eligible recipients within the State on the basis of per capita enrollment or through matching of local expenditures on a uniform percentage basis, *or deny funds to any recipient which is making a reasonable tax effort solely because such recipient is unable to pay the non-Federal share of the cost of new programs* * * * (emphasis added).

AVA makes the additional argument that "the lack of vocational education facilities in urban areas precludes targeting programmatic dollars for clients who simply have no accessible vocational education facilities."

According to the NAACP Legal Defense Fund:

> Vocational educators are responsible for the under-capacity in city school systems since federal funds for area vocational school construction, authorized by the Vocational Education Act since 1963, have been spent predominantly in suburban and rural areas. AVA cannot now argue that because of past and present discrimination against cities in targeting of resources for facilities, the states are precluded from concentrating program resources in cities.

In addition to requiring distribution of federal VEA construction funds to "communities in economically depressed areas such as central

city school districts," the Vocational Education Act makes special provision for "emergency assistance for remodeling and renovating vocational education facilities in urban and rural areas." Contrary to the assumption that it is federal law which precludes directing federal vocational education funds to the neediest students, the NAACP Legal Defense Fund contends that:

> Federal administrative interpretation of the Act and the politics of vocational education funding have greatly hampered the flexibility of those state vocational education officials who would like to concentrate federal funds in economically-depressed areas. As a consequence of [Office of Education interpretation] and state political interests, states have developed and the Bureau of Occupational and Adult Education has approved complex formulas which divide up the money among all, or virtually all, eligible recipients and segments of the vocational education community. To the extent that economically-depressed areas with concentrations of poor and unemployed get any priority at all, it is minimal indeed and certainly insufficient to meet their needs.

Some have also argued that the Youth Act of 1980, by channeling funds to vocational education, would set up an alternative system of vocational education for the harder-to-serve student, leaving that part of the vocational education system which receives funds under the Vocational Education Act to serve the less needy student traditionally favored by vocational education. In this sense, the Youth Act would establish a vocational education track which is a "dumping ground" for disadvantaged students.

Congress has also recently supported the Administration's request to rescind $87.5 million in vocational education spending for fiscal 1980, and additional cuts of $54.1 million for 1981. In addition, the Administration requested and the Congress supported a 50 percent recision in the allocation for the career education incentive program, reducing that program to the $10 million level for 1980, a figure which is retained for 1981 (again, a cut of $10 million from Carter's original budget for fiscal year 1981). Approval of the vocational training authorization in title II of the Youth Act would simply result in a return of the spending which might be lost to the Vocational Education program during the current budget crisis.

FAILURE TO ADDRESS PROBLEM OF BASIC SKILLS

The bill itself falls far short of even the Administration's basic goal. The Administration's proposal to improve the employment chances of young people was based heavily on the results of the Vice President's Task Force on Youth Employment. In testimony before this committee, the Secretary of Education summarized the findings of the Task Force:

> The young people most at risk are the children of the poor, a disproportionate number of whom are minorities. They are failing to enter the labor force because they lack basic skills, including the ability to read, write and compute; and because they lack positive work habits.

But the bill reported out of Committee substantially reduces the emphasis on basic skills, thereby straying from the Administration's program concept. As Secretary Hufstedler stated in her letter to Chairman Perkins, the reduced emphasis on basic skills is a result of several changes.

First, the Subcommittee bill converts a 25 percent allocation for vocational education from a maximum to a minimum. The Committee bill did not change this.

Second, the Subcommittee bill added a set-aside for area vocational schools not under the supervision of local education agencies. While the Committee bill reflects some modifications of this addition, the bill retains a specific set aside for these schools which rarely serve students in the junior high school grades.

Third, another set aside which was added in subcommittee to encourage cooperation between local education agencies and prime sponsors, according to the Administration, "seems to encourage the use of these funds to develop programs leading to community college or other postsecondary diplomas.

Secretary Hufstedler's concerns continue:

> If 22 percent of an LEA's funds are now to be set aside for joint programs with CETA, with a strong emphasis on older postsecondary youth, and LEAs are now required to spend a minimum of 25 percent of their remaining funds on vocational education, we are especially fearful that junior high schools will be left with a relatively small share of the funding. Given the President's strong belief that this program should focus primarily on basic skills, and given our desire to emphasize prevention at the junior high school level in order to reduce the intolerably high dropout rates in our poorest communities, the potential shift in emphasis away from junior high schools, and away from basic skills, gives us grave concern.

I concur wholeheartedly with this concern. We heard extensive testimony before this committee about the grave extent to which early adolescents have been forgotten.

During extensive hearings on the American secondary school the Committee received a graphic and well-documented profile of the plight of one-fifth of the early adolescents in our country:

> The National Institute of Education's (NIE's) Safe School Study tells us that boys in the seventh grade of junior high schools are the most victimized of our students. The only part of our population for whom first admissions to mental hospitals increased in the 1970's were adolescents under 15. The only age group for which the birth rate is increasing are girls fifteen and under. The incidence of running away peaks around ages 14 and 15. Alcohol abuse is becoming a serious problem for adolescents. The National Institute on Alcohol Abuse and Alcoholism reports that 19 percent of 14- to 17-year-olds experience alcohol-related problems. The average age of initiation to alcohol is 12.9. Sixty-two percent of seventh graders and 80 percent of eighth graders drink. Beginning at age 10, there is a steady rise in youth's contact with police and courts. Studies indicate that juvenile crime begins to "bloom" during early adolescence.

But school systems have responded minimally to students of this age who require alternatives to current school practices. Where alternative schools exist, the greatest number serve the senior high school level, and many serve the elementary school level. But school systems offer very few alternatives at the intermediate school level.

Reliable statistics on the school dropout rate are very difficult to obtain, but studies suggest a national school dropout rate ranging from 13 to 25 percent. In North Carolina, 37 percent of students entering first grade do not complete high school. Testimony before the Committee by representatives of the New York City School District reported a dropout rate of 45 percent. No matter what the exact figures are, it is clear both to observers and practitioners alike that the decision to drop out of school at age 16 is most often made during the preceding junior high years.

As the Director of the Center on Early Adolescence told the Committee recently:

> It is at the very least cost-effective to spend considerable amounts of money on the very young in the early grades of schooling without following through to make good on our investment. Likewise, it is an inefficient use of our public monies to concentrate on remediation and re-education at the time of transition into the labor market, while failing to support necessary programs in the *middle grades* that could reduce the need for later widespread remediation. Most importantly, it is tragic to fail to place more of our resources at a key point in education, a time of maximal growth and stress, when the possibilities for positive intervention in young people's lives are almost boundless. (emphasis added.)

I have held repeatedly to the view that in education, as in health care and in child welfare services, a preventive approach will, in the long run, be the most cost-effective and humane, and the least costly.

FAILURE TO ADEQUATELY CONCENTRATE FUNDS

Secretary Hufstedler, in testimony before the Committee identified "the highly targeted formula for allocating funds" as a major element in the Administration's legslation. As the majority cites, Secretary Hufstedler stated to the Committee that "although poverty may not be a perfect predictor of youth unemployment, it is the best indicator we have, better even than the adult unemployment rate in a given community." Several aspects of the Committee bill dilute that high degree of targeting on the basis of poverty, which is necessary to combat the "limited" and "specific" problems of youth unemployment which the Administration hoped to address through this legislation.

First, the Committee bill includes test results among the criteria for ranking eligible schools within a school district. This provision in the eligibility section, as interpreted by the Committee, leaves entirely to Secretarial discretion which schools could receive funds on the basis of basic skills achievement data. In testimony for the Committee, we were told that this kind of measure is wide open to manipulation:

> Almost any school could be eligible depending on what test is used and how the scores are interpreted. Since there is not likely to be sufficient funding for this program to serve all schools having low-achieving students, we believe it should focus on those students who are subject to the additional barriers to opportunity created by poverty. Generally, schools eligible according to the poverty and the achievement criterion will overlap and the poverty criterion would be less subject to abuse and easier to administer. To the extent that the schools made eligible by each method do not overlap, students in schools with high concentrations of poverty are more likely to be dependent on the additional resources provided by this program to reach their potential.

Second, in the Administration's original proposal, only a limited number of eligible schools within any district could get funding during a single year. This provision was supported as a way to motivate schools to develop quality plans, and to assure that funds would not be spread over such a large number of schools that the per student investment would be insufficient to make any difference. The Congressional Budget Office, in testimony before the Committee, reinforced the need for injecting an adequate investment for each participating student, and looked to the success of the Job Corps program, in comparison to other education and training programs, as evidence of this need. Nevertheless, the committee bill explicitly permits a local educational agency to fund all designated schools, thereby negating any element of competition which might be implied elsewhere in the legislation. The Committee bill also reduced the minimum grant that any elegible school could receive, thus diminishing the total amount of funds per participating student.

By adding other criteria, and deleting some key elements of the Administration proposal, the Committee bill further weakens the targeting of the neediest schools. The bill relies on a low achievement as one of the primary elements of the ranking system. However, the Committee bill eliminated features successfully applied in ESEA Title I, which carefully control which schools in the ranking are served.

The determination of which schools will be funded is opened up even further by two additional and entirely contradictory aprovisions. On the one hand, a local educational agency is asked to "take into account" both the ranking of a particular school and the quality of its plan, but the bill leaves the weighing of these factors entirely up to regulation by the Secretary. On the other hand, the bill states explicitly that a local educational agency can distribute funds to all eligible schools. This scheme does not assure that limited funds will be used for programs to give intensive aid to those students most particularly at risk of future unemployment.

Third, by including area vocational schools as eligible recipients under this program, the funds available will be open to distribution to schools which have historically not been located in inner cities, nor served poor or minority students equitably. The Committee bill does not make independent area vocational schools subject to the same targeting and ranking requirements as other schools in order to be eligible. An amendment offered in Committee to rectify this problem was defeated.

These provisions, in addition to the insertion of the testing criteria, clearly enable a school district to use the funds more flexibly than the Administration intended, and much more flexibility than the problem warrants.

Failure to Equitably Serve Dropouts

The Administration proposal also recognized what is almost a truism: for most students who have dropped out of school, the last place they want to return is the same school with the same difficulties. The Vice President's Task Force reports that "alternative schools provides one possible answer" for the many teenagers who find large high schools impersonal and socially threatening to serve as comfortable learning environments, or who find themselves unsuccessful and alienated from the traditional textbook and classroom approach.

The original Administration proposal included a funding mechanism whereby those nontraditional community based alternative schools could receive funding and serve those students who would fare better through these smaller providers. The Committee bill, however, eliminated this mechanism, and the Committee rejected an amendment which would have assured equitable resources for those students who have dropped out of school and who would be better served by nonschool-based alternative education.

The first purpose of this program cited in the legislation is to increase the employability of disadvantaged youth "in grades 7 through 12 enrolled in school, and youth up to the age of 21 who left school prior to earning a certificate of graduation." But the legislation specifically directs schools receiving basic grants to seek to attract back to school, among others, "youth aged 16 through 21 who have completed high school but who required remedial basic skills training." Further, in the requirements for joint programs, school districts are encouraged to serve youth who are enrolled or who agree to enroll in programs leading not just to secondary school diplomas, but to a junior or community college or other post-secondary degrees.

Opening up the legislation in this way seriously dilutes the concentration of resources on those secondary students most in need. Efforts in Committee to enable work experience and cooperative education programs to be extended below the 10th grade, so that early adolescent students would be able to benefit from these motivating programs, were defeated.

PRIVATE EMPLOYERS AND FAILURE TO ADEQUATELY INVOLVE/THE COMMUNITY IN PROGRAM IMPLEMENTATION

Another purpose identified early in the legislation is "to promote a partnership among educators . . . and private sector employers that effectively links education, training, and work experiences for disadvantaged youth. While the Committee bill provides a set-aside for "joint programs" with public employers, there is no requirement for substantial involvement of private sector employers in the implementation of the program or delivery of work experience programs or jobs. Private employers or their representatives are among those expected to participate in school site councils, but unlike the Administration's original proposal, the Committee bill eliminates any role for the school site council in implementation of a school's plan or attainment of its goals.

A set aside for joint programs between LEAs and prime sponsors is mandated in this education program. However, CETA Youth Programs already contained such a set-aside, and numerous witnesses who testified before the Committee described programs funded under existing authorities which already created the partnership. No new legislative authority is needed to accomplish this purpose.

The Committee bill weakened an already seriously flawed element of the Administration proposal. Although I am in strong support of the need for and involvement of community-based councils at the school level, the current mandate for the councils is inadequate and inappropriate to the problem. It is critical for the councils to be representative of the major interests in the community, including parents who will be involved in both delivering services to secondary school students, and those who will later employ them. In addition, this group should play a substantial role in performing an indepth analysis of problems in securing and maintaining employment encountered by youth who graduated, or should have graduated, from the school in the previous few years. This review should identify current efforts which are being made by the school to produce the general the general skills, work habits and achievement levels which youth should possess to enable them to obtain employment.

The current bill has limited the school site council's role to one of "indicating accord" with the plan developed entirely by school officials, and then evaluating the progress of the school after it has "implemented" the plan. However, it is very clear from the Vice President's Task Force report, that the problem we are attacking, while affecting a narrow and specific group of students, is created by a multiplicity of factors and institutional resistances, of which the schools' performance is one. To achieve the kind of institutional change which the Vice President's Report suggests is necessary, responsible groups in a community must be more than ratifiers. They must set the framework for the specific problem, needs and new approaches in that community and identify the major problems which are most subject to correction by school-initiated actions and programs. Only on the basis of this kind of assessment will a school plan's goals and objectives have any meaning. And only on the basis of this kind of involvement of community representatives will efforts to appropriately serve previously underserved students be taken seriously.

The legislation contains no provisions to assure that decision makers at the school level, including members of the school council, will have the capacity to engage in a comprehensive planning process, despite the legislation's prescription. While state agencies are permitted to provide technical assistance and information derived from relevant research on successful projects designed to improve basic and employment skills, there is little assurance that the states will be ready to provide this kind of useful and necessary assistance in time to aid local schools with their planning process, or that school site councils will receive the benefit of the assistance.

For any program of this magnitude to work, it is essential that Department of Education gather and disseminate information on successful programs already in existence. Such models should describe in detail ways of addressing the goals that schools must include in their plans. These models should then be disseminated through existing

channels, such as the Joint Dissemination Review Panel, and through such methods as regional conferences for school level administrators and school site council members in need of technical assistance to design plans and programs.

Simply providing money to our neediest secondary schools does not assure that local school principals and staff, even with the assistance of the advisory council, will have the know-how to design adequate plans and programs. The provision of descriptive information on successful models by the Department does not intrude upon the local discretion built into the program since use and adaptation of successful models would be left to the local planners and decision-makers. If sufficient information, creativity, innovation and motivation already existed at the local school level, schools would not be failing to the degree they are in meeting needs of low achieving, unemployed youth. Guidance, leadership and information must be provided from the federal level if the program is to succeed. Elements of such a role were defined in the Administration's proposal, but were deleted by the Committee, and the Committee bill provides inadequate funding to enable the Department to carry out these functions successfully.

In order to insure accountability for such a massive program with an authorization of substantial magnitude, plans for evaluation of the program on a national basis should be built into the program from the beginning. While the Administration proposal set the framework to enable evaluative research to be conducted, the Committee bill omitted this requirement. Furthermore, unless federal legislation spells out the kind of information to be collected and used to measure the progress of programs, any assessment or nationwide evaluation of the success of the program as a whole will be impossible. Without uniform evaluation data, disaggregated by race, national origin, sex and handicap, the Department of Education and the Congress will be unable to make recommendations for program improvement or for determining the kinds of technical assistance that are needed. This mistake was made in the early years of ESEA Title I and only recently has a more useful and uniform system of evaluation been required to measure the program's success. Unfortunately, the Committee bill does not reflect an understanding of this ESEA experience.

CONCLUSION

Although I have these and other serious concerns about Title II of the Committee bill, I do share the Committee's support for Title I, Youth Training and Employment. Unfortunately, Title II is an inadequate initiative which will delay real solutions to a very aggravating problem.

GEORGE MILLER.

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